13385

App. F. IX-4

Previous References.

1945-46 (S.D.) A

File No. 79-45

Serial Nos. 2, 6, 8, 9, 10, 11, 12

Later References.

PRESERVED

p.143(C)

GENERAL AND REVENUE SECRETARIAT

Serial Nos. Seven

Part B for April 47.

SUBJECT

Review on the report of accounts of food supplies department - half year ending June 1946.

Notes:- p1—12 } 'W'.
Corr:- p1—123 }

To D. F.S in Mysore
D. Cs of districts
Comptr. Govt. F.S
A.A.O. F.S.

S.D. 6195-85/ A79-45-12 of 28.4.47

Reviews the

R. Shama Rao
16.6.47.

C 311 Re: write off of the loss due to subsidy on imported foodgrains
(Report on the accounts of the Food Supply Department for the year 1945-46. 30.6.46)

Letter no -/46-47 dt 3.10.46. from the Director of Food Supplies, requesting sanction for the write off of the loss of Rs 30,12,440-6-5 due to subsidy on imported foodgrains in the accounts of 1945-46.

1) The report on the accounts and audit of the Food Supply Department for the Half year ending June 1946 - enclosed to Pub. - is for perusal.

2) It is stated that the loss on the Food Supply operations for the year 1945-46 is Rs. 30,12,440-6-5 which is mainly accounted for by the subsidy on imported foodgrains and that there is a Budget provision (1945-46) of Rs. 25,00,000/- to meet this loss. The Director has solicited sanction for the write off of the entire loss (of Rs 30,12,440-6-5) in the accounts of 1945-46 and has suggested that for the excess over the budget grant (Viz Rs. 5,12,440-6-5) later approval of the Legislative Council may be taken, as was done in the previous year 1944-45.

Vide Page 4 of the Audit Report & Statement VIII sent to Pub.

3) A copy of Fin. no to. 35335-7/A 79-45-3 dt 17.12.45 wherein the adjustment of the loss of Rs. 25 lacs in the year 1944-45 has been sanctioned is put up. (illegible)

Cy.

Key 8/10

D.2191/Re: Write off of outstandings in respect of Co-operative societies in Tiruchirapalli District

Particular reference is invited to annexure "A" to the report (Flag A) which gives a list of misappropriations, defalcations and other irregularities in the depts and also the observations of the Auditor on the following points -

1) Outstandings under credit sales amounting to Rs 41,66,319 - (Page-2 of the report)

2) Likely losses on milk products (D-1)

3) Re the need for purchasing sufficient stocks of unfamiliar food stuffs viz. wheat and wheat products, ground nuts, horsegram, dehydrated potatoes, minor millets, etc, before the next harvest is in (Page-3)

4) Want of equitable distribution of stocks of gunny bags (D-0)

5) The high cost of running of lorries by Govt agency Page-4

6) Bringing to notice the non-reconciliation of cash and stock accts in the SS and urging the need for posting (Page-6) superior Account staff in each SS office for instructing the taluk staff and keeping a watch over outstandings etc;

7) Local audit being in arrears in the SS by 9 months which is attributed to want of adequate staff Page-7

8) 46/10/Jub Please pick up the file leading to G.O. dated 5/7-12-45 - granting the loan for the previous year. Mrs 9/10/46.

9) The file leading to G.O. of 5/7-12-45 is not readily available. Hence a copy of the G.O. (Flag C) may be traced from the records. Mrs 14/10

Ks 14/10

D.2291 / 1135 / 2c

Report and accounts of the Food Dept for the period ending 30.6.46. and write off the loss due to subsidy on imported foodgrains (1945-46)

It is understood that the above file leading to G.O. dated 5/7.12.45 was sent to the Addl. Secy. Finance on 15.12.45 vide this office Dy no 1695/45-46. The Financial Br may be requested to put up the above file.

V.O. 3683 dt 19/12/45

15/x 2

15/10/46.

(Financial Br.)

This file has been referred to the Food Secretary for remarks by the Financial Secretary on 28.10.1946. (10297E).

(Food Supplies Br.)

29.10.46.

SECRETARIAT

29 OCT 1946

29/10/46.

1) The file referred to in para 6 (Dy no 1695/45-46) is linked herewith and returned. — Refer Paras 5-7.

29/10/46.

2) The previous file leading to the G.O. 4/x/46-2 dated 5/7.12.45 sanctioning the write off of Rs 25,00,000 out of the total loss of Rs 28,17,751-3-11 up to the end of June 1945 is put up.

(Linked file)

3) The D.F.S. now reports that the total loss for the year 1945-46, which is mainly due to the subsidy on imported food grains, is Rs 30,12,660-6-5 and requests sanction to write off this loss in the accounts of 1945-46. There is provision of Rs 25 lakhs in the Budget to meet this loss and to meet the excess over this amount a supplementary grant will have to be obtained.

(vide P 151 of Budget)

4) The D.F.S has forwarded with his letter a report of the Auditor + Accts Officer on the accounts of the Food Department for the ½ year ended June 1946

and the important points in the report are marked and noted at para 4 of the Notes for kind perusal.

15) The F.D's recommendations regarding the write off is for orders in Consultation with the Finl. Secy.

Food Secy)

6/11/46

16) In favour of remarks.

17) To the Case of Misappropriation & Shortages (Pol. A.). a report will be obtained from the D.F.S. re. the Steps at which each case stands. It is not clear from the report whether Criminal proceedings have been taken against the officials concerned in all Cases where necessary, to admit him & recovering the shortages & embezzled moneys. A clear report will be obtd by the Administrative Secy

Ad. Secy (Pol).

7/11/46. 7/11

FINANCIAL SECRETARIAT
U.O.No. FI..... 3283 9/11
BA.

18) The total loss for the year 1945-46 is Rs. 30,12,440-6-5, against a provision of Rs. 25,00,000 in the Revenue Budget of 1945-46. If the depot charges amounting to Rs. 10,85,894 which are provided for in the Revenue Budget of the State and directly debited to it are also taken into consideration, the loss will be Rs. 40,98,334-6-5.

19) The entire loss of Rs. 30,12,440-6-5 may be written off in the accounts for 1945-46 as requested by th Director of Food Supplies and a vote for regularising

the excess over grant obtained in the Legislative Council in the usual course. The same procedure was adopted last year also (vide linked file).

2a) Regarding other irregularities, action is being taken on a copy of the report received directly from the Comptroller.

V 11,3457

OFFICE OF THE MINISTER FOR LAW
No. 4019

B
14/11

Minister (law) 2c) 16/11/46.

2d) 18/11

Revenue) 2e) ARM 18/11

2f) 19/11

2g) Submitted with a draft G.O. & affd
K.S. 21.11

Food Secy) 2h) 21/11

2i) 22/11/46

2j) Issue & take action re. point mentioned in para 17.

23/11

2k) Fin Com. 2166 - Al. Statg has agreed
Draft & fair communication put up.
27/11

2l) 30) 31)

2m) Sanction the write off of Rs 30,13,640-6-

NOTE—Contn. Sheet

D 4247-49 A 79-45-8

2791 Report on the account of Food Supply Dept for the half year ending 30.6.1946

File No. 479 of 1918.

General and Revenue Secretariat

Serial No.

Refer para 17.

a) Ufr letter to D.T.S u/no 5

Leg 2/12 b) Issue audit up todate with a note about action to be taken to obtain supplementary grant.

Mrw 3/12/46.

To

D.T.S.

Requests him to send a clear report showing the stage at which each case stands.

S.D. 45 35 A 79-45-9 dated 3/12/46.

3/12/

It is ascertained from the Financial Branch that it is now too late to include a demand for ~~[illegible]~~ in respect of the write off of Rs. 30,12,440-6-3 (sanctioned vide C&T-O.M. No. FD. 4247-49/479-45 dt 26/28.11.1946 (Flag T)) in the list of demands to be placed before the ensuing L.C. and that necessary action will be taken at the Budget sessions of the L.C. to be held in June-July 1947. The Financial Dept's remarks at para 19 above are for perusal in this connection.

Flag V

Food Secy) Mrw 4/12/46

Leg 3/12

Secy 4/12

Vide letter No. 5097 dated 6/12 sent to Food Branch on 10/12

Reminder sent to D.T.S vide No. D. 6718 dt 14.2.47

WD 038M—GRB—16/6/46—20-7-46

Serial No.

Letter No 43/Camp/spl dated the 6th October 1946 from the Comptroller to Government forwarding a copy of the report of the accounts and audit of the Food Supply transactions for the half-year ended June 1946

It is stated that the financial results for the year 1945-46 reveal a loss of Rs 30, 12, 440-6-5. The Director of Food Supplies has also forwarded a copy of this Report to Government in the Food Supply Department and requested the Secretary to Govt, Food Department to obtain Sanction of Government for the write off of the loss of Rs 30,12,440-6-5

This is being worked up in the Food Supply Secretariat.

A brief note on the report is put up for perusal, as per orders of 'P.O.D'.

Put
18/10/46 (1) Subject to the final Secy)
22/10/46 24/10

(2) I have placed before my review orders on the above this will if approved be issued.

Draft

The main points are

① Heavy overdraft in the Shimoga Dist Wheat is still unadjusted

② Increase of shortage

③ Uneconomical working of Lorries

④ Difference in Store Balance

⑤ Delay in Audit & compilation of Accts

heet

Accounts of the Food Supply Department for ½ year ended June 1946. 1039/R

File No. of 194 . General and Revenue Secretariat

Serial No.

There has been acute shortage hands & it is understood that the P.S.C has not been able to furnish the names yet. Unless this state of affairs is remedied I am afraid the position will get worse & worse.

B
13/11

Min-in-Chg
Dewan
Min Foods

5283

3261

3) 15 16-11-46

4) 24/1/47

OFFICE OF THE MINISTER FOR LAW
24 JAN
No. 4939

5) 24/1/47

1039/R

6) 25/1/47.

7) Issue at once.
25/1/47

8) Necessary further actions may be taken in the Food Supply Dept

9) 5091 27 JAN 10 47

from the Comptroller to the Financial Secretary.

10) In the linked file on the subject, (Dy no 2291) the D.F.S has been asked to send a clear report showing the stage at which each case of defalcation etc stands at present and also state specifically whether criminal proceedings have been taken against the officials concerned in all cases where necessary, in addition to recovering the shortages or embezzled moneys. (vide this office letter no. 45337/179 dt 3.12.1946 - flag X - linked file)

Receipt of the report re: accounts 1947. Give two weeks for the half App. F. III-2
year ending June 1946

General and Revenue Secretariat | File No. A 79 of 1945

Serial No.

If approved the D.F.S. will be requested to expedite the above report and to furnish remarks if any, in the Financial Secretary's observations, so that a C.O. recording may be put up finally.

Ks
29/1/47

Why was this not being given continuous attention to?

(Secy)
29/1/47

(2) Work and please keep track of the matter and issue reminders every week till you get the replies. File to be put up to me at beginning of each month.

KS
30/1

Thu 30/1

(3) Draft letter to D.F.S. is submitted.

Ks
30/1

(4) Secretary. The Secy's instructions above should be strictly followed. Please proceed with a reminder on the 5th July '47.

Secy
31/1/47.

To
The D.F.S.

S.D 6331 A 79-45-10 dt 1/2/47
forwards the observations of the Finance Secy to the D.F.S. for finance & remarks.

Ks
28/2

Reminder issued by D.F.S
No SD 6620 dt 6.2.47
S.D 6795 dt 18.2.47
7087 dt 25/26/2/47

(5) Returned. Ref Para 12.
Replies have not been received in spite of reminders.

Ks
11/3/47.

Mr. Ks.
Refer Para 12
pl. note Secy's instructions and issue reminder.
Ks
5/3

Mr. Ks.
Ref. Para 12 & 13
pl. see reminder issued by D.F.S
Ks
14/3

Mr. not sent file no 5478. on 11/3/47

File Recalled

NOTE—Contn. Sheet

Review on the report re the accounts of the Food Supply Deptt for the half year ended June 1946

(637) File No. ____ of 194__ | General and Revenue Secretariat

Serial No.

16) The D.F.S. has been reminded demi-officially on 25-2-47.

Food Secy) 1/3/47

17) 11/3/47.

D-O reminder to DFS issued No Fd. 7515/4 of 10.3.47.

Letter no 5937 dt 12/17.2.47 from the DFS - attitude reply.

Reqst Pers (Secy) to ring up DFS. Pl. remind Q on 10.3.47

Ans A

Secy 7/3/47

Letter no. B1-C.6022/46-47 dt 13.3.47 (received on 18.3.47) from the Director of Food Supplies furnishing the remarks on the audit report called for.

18) Rec. Financial Branch may be requested to return the following files which were sent to them (on 18.2.1947) with this Dy no 5638 in connection with the audit para 12 and note the action taken - Flag V.

P.A. Committee of the ~~Parliament~~ Legislature

[References to orders contained in these files have been made by the A & A.O. in the Statement - Flag V.]

(i) Dy no 2291 Fin: Report on the accounts of the Food Deptt for the half year ending June 1946

(ii) Dy no 1625-GS-46 re: Report on the accounts for the half year ending June 46

19) The Financial Secy's remarks on the audit report placed below has perhaps to be noted in the light of the remarks now made by the DFS and A & A.O - Flag V. (Food Secy).

29/3/47

29/3

Revised on the report re: arrears and audit of the Food Department

App. V. III-a

Half year ending June 46

General and Revenue Secretariat | 12"·7 | File No. A 79 of 1945

Serial No.

21) 16/4
Food Secy) 1/4 Kmpl
47c)

22)

Vide my remarks in the statement flagged V.

Food Secy 22e) 10.4.47.

23)

Draft G.O recording the audit report for approval.

Secy 16/4 17/4 Food Secy) 18/4 18/4/47

16/4 18/4/47

Appd for issue
21/4

Fl. comm. No. 45 13.

For F/S.S. opinion, please see Para 22.

Draft & fair submtd.

25/4. 25/4

Issued 28/4/47

SECRETARY TO GOVERNMENT
FOOD DEPARTMENT
No.
Date 28/4/47

28/4 Do

The Director of Food Supplies
The D. C's of Districts
The Comptr. Chem. Fl. Secs.

Record with certain observation

5.D 8975-85 A79-45-1

B 13/5/47

29/4 24.4.47

NOTE—Contn. Sheet

G.R.S. III—3]

Food Br

ROUTINE NOTES

[To be used only for notes, requisitions, etc., not intended for permanent record.]

I meeting

The Food Supply Secty. is requested to peruse the file relating to the Food Supply accounts for P.S. 30-6-1945 & 30-6-1945, in connection with P.A.C. Committee meeting.

30.6.1946

Sd/- Illegible
17/2/47
Food Supply Sec

5638

Sec
3
15/2/47

The Connected file (Dy no 1623 SR 695 of 45-46 and Dy no 2291 of 46-47) re: the Audit reports of the Food Dept for the half year ending 30.6.1945 and 30.6.1946 respectively are sent herewith for perusal and kind return.

Illegible
18/2

File A 79-45.

* For perusal before being sent to the Secty Food Secy)
3
18/2/47

11/2/47
15/2/47

N. B.—*Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.*

WD 678—GPB—30,000—25-7-40

Illegible
Illegible
18/2/47

A7945-2

No.SD/ 1915 /Accts., Office of the Director of Food Supplies in Mysore,
The 32 Page. Bangalore, Dated: 21st. September, 1945.

To 1695/SD.

1. The Secretary to Government,
Development Department,(Food Supplies),
BANGALORE.

Sir,

Report on the Accounts and Audit of the Food Supply Department for pericd ending 30-6-45.

I have the honour to forward herewith for information of Government a copy of the report on the Accounts and Audit of the Food Supply Department for half year ending 30-6-45 submitted by the Auditor & Accounting Officer of the Department.

The report discloses a total loss of Rs.28,17,751-3-11 from the beginning of the scheme to end of 30-6-45. This loss is entirely covered by the subsidy on imported foodgrains as explained in the Report. It is necessary to write off this loss now, as future losses due to the same reason will have to be booked in future accounts. The loss on Bengal rice alone will be about Rs.25 lakhs and this is not included in the above loss as the commodity was received after the accounts period but will have to be adjusted in future. We will have to take further quotas of rice from where-ever we get an allotment for next year and be prepared to write off loss on that account also.

A provision of Rs.25 lakhs has been made in the Revised Budget of 44-45 to write off the subsidy on imported grains. I, therefore, request sanction to write off Rs.25 lakhs in the State Accounts for 44-45 by crediting (reducing) the advances shown against the Director of Food Supplies.

As the Comptroller's June,45 (Fl) accounts are likely to be closed shortly, I request the favour of very early orders sanctioning the write off.

I have the honour to be
Sir,
Your most obedient servant,

21/9/45

Director of Food Supplies.

BJ)

Report on the accounts of the Food Supply Department for the half year ending June 1945.

I attach hereto the consolidated Cash Account, St I The Profit and Loss Account St II for the half year ending June 1945 and the - - - Balance Sheet St III of the Food Supply operations as at end of 30-6-45. The cash transactions have been agreed with the Treasury figures. The Stock accounts have been agreed with the cash account and the transfers of stock from District to District also tallied. This is the first half year in which it has been possible to complete reconcile the transfers of stock due to the improved maintenance of initial accounts. The figures as regards outstanding liabilities like transport charges payable have been taken on the best information available after testing them with the quantities of stocks acquired or handled pending receipt of bills for railway credit notes issued etc.

Why? Correct and ought to be available

The Accounts.

As ordered by Government, the Standard Cloth Account has been separated from the Food Grains Account. But due to the fact that transport and handling charges of Standard Cloth are incurred from the same funds placed at the disposal of the Deputy Commissioners and ~~xxxxx~~ often, the standard cloth bales have been carried in the same lorry or cart along with foodgrains, it has not been possible to assess accurately the charges that properly relate to standard cloth. In the accounts now separated, these charges have been assumed on the basis of the number of bales handled, the leading in the interior of the District and the number of Government selling depots, pending receipt of more reliable details from the Deputy Commissioners which have been called for. The Fuel and Chaff supply transactions of Bangalore City have also been separately worked out and these show a loss of Rs.37,972-14-4 as compared with the sales of Rs. 8,05,625-14-2, the percentage of loss being slightly higher than in the previous half year.

The Cash position.

Due to the special feature of the current harvest the entire surplus from each declared holder is one [illegible]

instalment only and also due to the increased prices paid for the grains acquired, there was a heavy demand for funds during the current half year. In fact, the cash balance of Rs. 25,28,174-3-0 is the lowest on record at the end of any half - - year, ever since the commencement of the Food Supply operations. Even this balance was possible only after utilising a sum of - - Rs. 39,50,000-0-0 from the mill owner's deposits in the Mysore - Bank. The total balance under Personal Deposit Accounts in the Treasuries is actually a minus figure i.e., an over-drawal to the extent of Rs. 30,90,506-14-5. This is due to Shimoga District -- having allowed Treasury/without any authority, over-drawals amounting to the - - very high figure of Rs. 89,63,555-6-4. The over-drawal was - - noticed at the end of last half year only when it was comparatively small. A D.O. letter was written by the Director of Food Supplies to wipe out the over-draft by recovering the dues to the district or by obtaining extra funds. It is true that heavy amounts were due to this District from other units, but it was highly irregular on the part of Shimoga District Treasury to have allowed such - - heavy over-drawals and on the part of the Deputy Commissioner not to have regularised it in time. The surplus balances in all the other Treasuries put together were not enough to wipe out the - - over-draft and the result is a net minus balance in the Treasury. Now that the P.D. Accounts at the Treasuries have been abolished and the cash resources are pooled together under control of the -- Director, action will be taken to wipe out this over-draft without asking for fresh advances from Government, especially as the - - - acquisition season is now practically over.

Further report to be called

There are just now sufficient funds available to meet the - - heavy payments to be made outside the State including about - - - Rs. 50 lakhs to be paid for Bengal rice and provided we do not go in for further heavy purchases outside the State on Government -- account, I do not expect there will be any need for taking fresh advances from Government.

The cash position may be viewed in another light. Against an advance of Rs. 2,35,53,450-0-3 taken from Government, we held a closing stock of Rs. 2,67,24,005-11-8 not including Bengal rice

rice which arrived in July 45; that is to say, the stock balance by itself was more than the advance taken by about Rs.32 lakhs - and it is as much as we can do to meet the several demands promptl as and when they arrive and there is no possibility of refunding - to Government any portion of the advance taken in the near future. The mill owners' Deposit account has been a welcome source of help to the cash position and its contemplated abolition may necessitate the taking of fresh advances from Government during the next harvest acquisition, if similar conditions prevail.

Purchases.

Foodgrains worth Rs. 3,62,47,204-15-11 were purchased locally and Rs. 29,16,035-13-3 were imported from outside during the half year. (St-IV.) The total of the local and outside purchases for the year - 1944-45 is Rs. 4,88,86,644-6-8 and Rs. 1,14,31,075-9-2 respectively, making a grand total of Rs. 6,03,17,719-15-7 for the year. In addition, stocks worth nearly Rs. one and half crores were - - received in the deficit areas by transfer from surplus areas.

Credit purchase.

There is a balance of Rs. 15,09,893-7-6 payable to the local suppliers of foodgrains at the end of the half year. Making - allowance for a sum of nearly Rs. 7 lakhs payable to suppliers of fuel and charcoal to Bangalore City, the balance of about Rs. 8 lakhs - is the lowest credit purchase balance, as compared with previous periods. While it is gratifying to note that ryots and other - - suppliers of foodgrains have been paid more promptly this half -- year in spite of the heavy acquisition, we are still far from the goal of spot payment on delivery of grains which is necessary - - both to avoid complaints from the suppliers and complication in - accounts. The heaviest balances of about Rs. 2 lakhs and one - - lakh were payable in Mysore and Mandya Districts respectively, -- while the lowest balances were in Hassan and Shimoga Districts -- with the balances of about Rs. 25,000/- and Rs. 37,000/- respectively.

Sales.

The total sales of foodgrains during the half year were for Rs. 2,78,60,237-1-6. The total sales for the year were - - -

were Rs. 5,36,11,669-10-7. The balance outstanding under credit sales at the end of the half year was Rs. 29,35,979-6-7. Generally speaking, there were no credit sales to individuals except in Bangalore City where, under Government orders, the requirements of retail dealers up to two months in advance were issued on a credit basis. There are however credit issues of magnitude to Government Departments and in some cases to Societies, the largest amount i.e., Rs. ~~7,15,513-10-0~~ 21,67,513-10-0 being due from C and M Station, Bangalore. When, as in the case of Shimoga District and the office of the Assistant Director of Food Supplies (Depots), the credit issues are not promptly and correctly ledgered, recoveries posted and balances watched, it will result in considerable trouble in agreeing cash and stock accounts besides delay in recovery of amounts due to the Department. It is necessary to keep down the balance under this head at the minimum, if credit issues could not be altogether avoided.

Closing Stock.

Statement V shows the details of the Closing Stock on 30th June 45 worth Rs. 2,67,24,005-11-8. If Bengal rice received in July 45 is taken into account, the closing stock is worth over Rs. 3 crores and is the heaviest balance of stock as compared with those of the previous periods. This heavy stock naturally involves correspondingly higher losses due to driage, deterioration attack by rats etc., This heavy stock this year is mainly due to the acquisition of grains in a lump from the declared holders. The heavy stock involves also extra cost to Government on account of renting or construction of fresh godowns, claims by mill owners for extra interest and fire insurance charges payable and extra driages incurred by them. As the possible loss under these heads could be roughly estimated at Rs. 5 lakhs, the desirability of reverting to the procedure of acquiring stock by instalments and paying storage fees to the ryots in necessary cases, requires to be seriously considered. After all, making allowance for the higher price we paid for the purchase of grains this time, the total grains secured is not appreciably more than the previous year.

The closing stocks have been valued conservatively not - - exceeding the purchase price or selling price whichever is less making a suitable allowance for a driage of 1 to 2 per cent under paddy and possible deterioration under other articles as noted -- below.

1. Tur dhall. There has been considerable delay in the -- disposal of this article and it has deteriorated much. Last half year, the closing stock was valued at Rs. 25 per palla. It is now seen that this value cannot be secured and consequently, it is - - valued now at Rs. 18/- per palla. It is likely that this price -- could be secured if all the dhall is disposed of quickly. Even -- then, the loss under this commodity will be about Rs. 3,71,587/-.

2. Urd ~~xxxxx~~ (whole) There is nearly nine thousand pallas in stock and the sale of this is inappreciable. It sells well when converted into dhall. But conversion in Mysore involves heavy - - loss. The urd has begun to deteriorate and if heavy loss as under Tur dhall is to be avoided, the whole stock of urd has to be - - - disposed of quickly.

3. Minor millets. There is a stock of 19,000 pallas under -- minor millets valued Rs. 2,27,000/-. The sales under these are - - very poor. Especially as regards Haraka, we appear to have made a mistake in fixing its purchase and selling prices, as the yield -- after removal of several layers of its husk, is stated to be only - 40 per cent and this grain would then be as costly as fine rice. Considering that the total quantity of the minor millets acquired is so small compared to the other millets and the forced issue of - these against rations creates resentment in the minds of the people it is for serious consideration that we should omit the minor millet altogether from the next acquisition programme.

4. Gunnies. There is an excessive stock i.e., 25,64,957 - - gunnies on hand. Now that the War is over, it is likely the price of gunnies godowns will go down fast. Shimoga District alone had a stock of 6,22,750 bags, it having purchased during this half year - - - 5,28,650 bags at a cost of Rs. 3,67,084/-. This stock is far in excess of the requirements of closing stock ~~xx~~ of foodgrains in - this District. Though there is a total provision of 6 1/2 lakhs for depreciation on gunnies, careful handling of this item will be

will be required before we can realise the balance of about - - Rs. 3 lakhs shown in the Balance Sheet. It has to be seen that by a better turn over ~~that~~ the existing stock is fully utilised before fresh gunnies are allowed to be purchased.

5. There are other small items (177 bags of wheat at Hassan 950 bags wheat flour and 50 bags jola in A.D.F.S. Depot Section) which are in a highly deteriorated condition and would fetch very little value. These have not been valued and included in the - - closing stock. It appears necessary to get a regular monthly - - return of articles showing deterioration from each district, (as - this information is not being furnished in any of the returns now received) to watch their speedy disposal.

Shortages.

Statement VI shows the shortages under several articles for the whole State amounting to Rs. 2,45,157-1-0. Though this works out to about one per cent on the total cash sales, the shortage under rice is over one and a half per cent worth nearly one lakh of rupees. The loss of about Rs. 2 lakhs annually under this one item requires greater scrutiny over shortages. But unfortunately monthly shortage statements are not being received as required by the Account instructions from any unit, except the Assistant - - Director of Food Supplies (Depots) and to some extent, the Mysore District where shortages are shown in the accounts till orders for write off are passed. The other districts continue to follow the un-authorised procedure of removing the shortages from account, a each consignment is disposed of and it is only at the time of the half yearly compilation of accounts by the Local Auditors these - shortages will come to light.

Stock Verification.

Stock Verification Reports are now being received regularly from all the units monthly, except the Asst. Director of Food - - Supplies (Depots) Bangalore who arranged stock verification only once at the end of the half year. A few cases have come to light where the Book balances though obviously wrong, have been certified as "checked" by the subordinate officers. It is necessary t arrange for systematic stock verification and periodical surprise check by higher officers, noting down also the condition of - - -

of articles especially in view of the heavy stocks we are now holding.

Lorries.

84 Lorries have been purchased by the Food Department at a cost of Rs6,26,072-9-0 Of these, only four new lorries have been handed over to private people at cost price, keeping them available for Food supply work. The rest of the lorries are being worked by Government Agency with the risk of heavy depreciation and loss. About 20 partly used lorries which were intended to be handed over to a private company for fuel supply work have still not been handed over, but new lorries were given instead. It is necessary to take stock of our position as regards lorries to see how many of them are lying sick, for what periods, what is the total maintainance charge, what is the outlay on spare parts and machinery and keeping all this in view what it costs us to transport one gallo of grain per mile by Government Agency and how much we are losing on this account. Though a provision of Rs- 3,00,000/- has now been made for depreciation on lorries, I am afraid that due to the closure of the War, this provision seems to be insufficient.

Financial results of working.

The financial result of working of the Scheme during this half year is a loss of Rs. 6,95,610-11-6. This is entirely covered by the subsidy on imported grains shown in statement VII amounting to Rs. 8,22,724/-.

(1) The difference between these two figures, (2) the losses on account of shortages and depreciation referred to above, and (3) the subsidy on local grains by lowering the prices of medium and coarse rice to a minimum of 3 1/2 seers and 4 seers respectively and rounding off the selling price of rasi to the next higher pavu, are all covered by the existing difference between the Purchase and Selling rates. There is a complaint by some merchants that Government have kept this difference rather high. But, if we take the depot charges and charges on subordinate supervision amounting to Rs. 9,55,115/- which are now directly charged to Revenue Budget, while they are really chargeable to the Trading account, there will be really no profit at all; but

but a net loss of Rs. 8,88,001-11-6. There is therefore no scope to reduce the existing margin. The total subsidy on imported foodgrains so far given is Rs. 35,27,100/- as against a net loss of Rs. 25,28,174-3-0 and total depot charges and subordinate supervision amounting to Rs. 27,55,115/-, the excess of depot charges of Rs. 1756189/- thus paid is also an indirect subsidy to the consumers.

A provision of Rs. 25 lakhs has been made in the revised Budget for 1944-45 to write off the subsidy on imported grains. In view of the net loss of Rs. 28,17,751-3-11 shown in the Balance Sheet, a recommendation is being separately sent to Government to write off the loss to an extent of Rs. 25 lakhs in the June 45 final accounts of the Comptroller.

Coming to the examination of the results of working in - - - districts, both Bangalore City and Mysore City Rationing units -- show a sufficient profit after making allowance for subsidy items. The profit in both these cases is almost equal to the Depot charges at the Government scale. There is thus no ground for complaint of the retail merchants for further enhancement of commission now paid to them. Due to the good 'illuvary' of rice in Mysore - - district, a profit of Rs. one lakh is realised, but due to the booking of the transactions relating to the Coorg paddy and rice in its account, it shows a net deficit of about Rs. 67,000/-. - - Mandya District for a similar reason has shown a surplus of - - - about Rs. 29,000/-. Shimoga and Kadur Districts have both shown deficits due to the poor 'illuvary' of rice. Shimoga District in particular shows a heavy deficit of over Rs. 1 1/2 lakhs due to the additional reason that heavy transport charges have been - - incurred in moving rice to Bhadravati by road all the way from distant places like Nagar, Hosanagar, Shikaripur and Shiralkoppa, instead of to the nearest rail heads stated to be due to want of accommodation. Even the present godown at Bhadravati necessitates payment of fairly heavy waggon-haulage charges to the Mysore Iron Works. The Assistant Auditor, Food Department, Shimoga Circle has been asked to investigate the comparatively very heavy transport charges per palla of the grain transported in this District.

Transfers of Stock.

There has been considerable delay in the deficit districts -- paying up the values of stocks transferred from other districts, the balance due to be settled under this heading being over Rs.3 crores. Prompt payment of this amount would have automatically ensured that all stocks transferred were correctly taken to accou at the other end, that there were no excessive shortages and to - prefer claims against Railway or other Transport Agency for empti bags not received. The monthly statements of transfers of stock for both receipts and issues are still not being received in the Director's office and it has not been possible to keep a control over these transfers in the Central office. As stated previously the stocks transferred during the half year were completely agreed during the compilation of accounts by the Local Auditors. Due to the closing of the R.D. accounts, several bills were passed towar the end of June 45 and R.T.R.'s amounting to about Rs.15 lakhs we sent before the close of the month. But these amounts were recei by the other districts only during July 45; this resulted in the amount due ~~from~~ to other unit officers on the liabilities side being less than the outstanding shown as due from other unit officers o the assets side by about Rs. 5 lakhs. The amounts thus transferr will be verified as soon as the cash accountsfor July 45 are - - received. There has however been a net surplus on the liabilitie side which, as explained in the previous reports, has the effect of a reserve which will be useful to meet possible shortage on th Assets side under (1) advances from which expenditure might have been incurred but accounts have not been rendered and (2) Depre- ciation of closing stock at the time of the closure of Food Supply operations.

Advances.

Out of the sum of Rs. 17,75,040-10-11 shown against parties as much as Rs. 5,97,373-0-3 relates to advances to Supply Depart- ments in British India and another sum of Rs. 5 lakhs given to -- Messrs. Shaw Wallace & Co., for handling Bengal rice. As the -- stocks covered by these items were not received before 30-6-45, the amount is shown under advance. Out of the balance of about Rs. 7 lakhs, a good portion is outstanding against the Sugar - -

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Sugar Company which insists on advance payment even from Govern ment Departments. Full details are available for the balance.

The advance of Rs. 1,63,83,712-5-7 shown against other unit officers finds a corresponding entry on the liabilities side and this is due to transfer of funds from one unit to another as the acquisition operations progressed. As the P.D. accounts have no been abolished, this item will not appear in future Balance - - Sheets.

Deposits: Rs. 44,23,815-15-10. Out of this amount, a sum of Rs. 39,50,000/- represents the amounts taken over from the Mill - owners' Deposit in the Mysore Bank temporarily to finance the - Food Supply operations. Details are available for the balance.

Suspense (Assets side) Rs. 2,31,912-11-8. Out of this, a - sum of Rs. 1,25,285-6-6 represents the cost of lorries and other charges temporarily met from the P.D. account pending recoupment from final head and the balance of Rs. 1,06,627-5-2 represents - amounts creditable to Food Department but re-classified by the - Treasuries to other heads. The Treasuries have been addressed t set right the mis-classifications.

Director of Textiles.

Due to the delay in the Deputy Commissioners in remitting the sale proceeds of Standard Cloth, a sum of Rs. 29,57,492-4-8 was due to him, and on this account, an - advance of Rs. 3,84,978-15-0 had to be given to him from the - Director's account to meet the bills of the Controller of Supply Accounts.

The other items in the Balance Sheet do not call for any - special remarks.

Mill owners' Deposits in Mysore Bank.

There was a total balance of Rs. 92,18,408-3-10 held in th several branches of Mysore Bank to cover the value of the paddy - left in the custody of mill owners. The deposits have not bee brought into the Food Departmental accounts, as the amounts accounts a received and adjusted separately. The system of taking adequa deposits from the mill owners and passing their bills after pr audit, has resulted in a distinct improvement in illuvary by

by about 1 per cent in the current period as compared with the illuvary got in previous accounting periods.

(2) The mill owners have taken over shortages for transpo: by road from their Mills to other places by their own agency, tl they object to shortages in transport by railway.

(3) Better care is taken in the custody of paddy and rice -- than under the custody of depot clerks and Special Revenue - - - - Inspectors, the abnormal shortages in some cases by the Government staff being now avoided.

(4) The scale of transport charges fixed by Government are - - being adhered to.

It is necessary to see that these advantages are preserved in future arrangements.

Acquisition of new harvest.

Apart from the subsidy on imported foodgrains, Government are incurring an expenditure of Rs. 21,95,100/- on the Food Department which is charged to the Revenue Budget annually. It is therefore - necessary to arrange to close the affairs of the Department as soon as the conditions permit, but in Mysore, the control is intensive and except for paddy and rice, all the food-stuffs are under the -- physical custody of Government. In this respect, ~~MXX~~ we are - - - different from the British Indian Provinces, where, to a large - - extent, the system of wholesale dealers has taken over the custody of the stocks. This has also relieved these administrations, the cost of financing the purchase of these and left the trade almost to the usual channels. We will be taking unnecessary risks by - - continuing to hold large stocks of foodgrains on Government account which it would be difficult to dispose of, without loss and delay when the operations have to be closed. From this point of view -- we are really in a disadvantageous position as compared with the - British Indian Provinces. It is therefore a point for serious - - consideration to bring in the system of wholesalers from the new - harvest alone. This would necessitate a study of the conditions under which wholesalers are working in several places and the - - margin allowed to them and the deputation of an officer early for this purpose to make a report on the several points involved.

Accounts of Districts and other Unit officers.

Out of twelve units, only four i.e., Deputy Commissioners of Mysore, Chitaldrug, the Rationing Officer, Bangalore and the Asst. Director of Food Supplies (Depots) Bangalore are sending cash and stock accounts in the prescribed forms agreeing also the stock and cash transactions. The Deputy Commissioners of Tumkur and Kadur Districts are sending accounts in prescribed forms, but the cash and stock transactions are not agreed. The other units are not sending accounts in the prescribed forms on the ground that they are not receiving in turn monthly accounts from some taluks.

Now that it is over a year since the full scale of staff required for Taluk and District offices was sanctioned, it ought to be possible to get the accounts from the taluks by putting suitable pressure.

It is seen that the initial accounts at the depots are kept with the prescribed details, but the trouble occurs in Taluk offices where payments are made on the basis of Depot clerk's acknowledgments on H.S. No.3 without noting the fact of payment in the stock returns of the depots. This makes it difficult to extract the unpaid items of stock and to reconcile the cash and stock accounts. As this is a simple item of work and also a safe procedure, its non-observance in spite of instructions several times by the Local Auditors during their visits to the Taluks, has to be seriously discouraged.

A statement (VIII) showing several returns received as at end of June 45 is enclosed and this shows how much the submission of returns is in arrears.

Central Office Accounts.

These are kept up to date and the Exchange Accounts, Account Current and Verification statement of the Director's P.D. account are being submitted monthly to the Comptroller.

Central Audit.

The pre-audit work is up to-date. The post audit of establishment and contingent bills is in arrears by eight months. The post audit of T.A. bills is as also the audit of bills payable from the Director's P.D. account are up to date. The arrears of audit -

audit in Establishment and Contingent bills was due to want of staff and is expected to be cleared by end of December 1945.

Local audit.

Statement IX shows the progress of Local Audit in the severa districts and other units. It will be seen that the local audit in arrears by an average of 9 months as against an arrears of onl 6 months at the end of June 44. This retrogression is due to the fact that the required number of hands according to the Basic Sca were not available, while at the same time, the number of Govern- ment depots increased and has now reached the neighbourhood of a thousand. Even accordimg to the reduced basic scale sanctioned - in G.O. No. 704-S/G.F.1-44-34 dated 9-8-45, the number of hands - short is 32. But for the direct recruitment allowed in May 44 - when I was able to get about 35 hands, the present arrears would have been still more. A special report has been made in this - - connection to the Comptroller to suitably address Government in the matter.

However preference is given to audit of the closed depots in all places. I should also add that if the Taluk and District account had been made out regularly, the time of about one to one and a - half months now taken by Local Auditors for compiling the accoun of the State could have been utilised to clear the arrears of - - audit work.

Inspections.

The Accounts of all the twelve units were locally inspected by the gazetted officers of the Audit Department and suitable -- instructions issued.

Objections.

The objections raised in Central audit are for recovery of an amount totalling Rs. 13,957/- and in local audit for - - - - Rs. 5,15,358-13-5; of these, Rs. 3,426/- and Rs. 40,841/-8-5 - - respectively were recovered during the half year. Statement X - shows by districts the objections raised, cleared and pending and the number of Audit reports issued received with replies and - - pending. There is considerable delay in replying to the audit - notes and in recovering the amounts objected to. As recover.

recoveries become difficult with lapse of time, the disposal of the audit notes requires the urgent attention of all the administrative officers.

Defalcations.

Annexure A gives brief details of cases noticed in audit - - relating to mis-appropriations with manipulation of accounts, - - simple misappropriations, cases which border on misappropriations like excessive shortage in stock, excessive delay in remittances etc. In most of these cases, the amounts involved have been - - recovered but the large number of cases point to the need for -- special vigilance on the part of the supervising officers over - the depots in their charge.

Standard Cloth.

Statements XI to XIII show the cash transactions, the Profit and Loss account ever since the commencement of the operations - and the Balance Sheet as at end of 30-6-46. I have already - - referred to the separation of those accounts and the amount due on account of sale of Standard Cloth by the Deputy Commissioners earlier in this report. There are no other noticeable features in these statements.

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17. 9. 46.

Auditor and Accounting Officer,
Food Supplies Department.

DTS/

Cash Account for the half year ending 30th June 1945.

Receipts.			Payments.		
Opening balance, on hand.	19,07,309-13-10		Cash purchases.		4,44,82,693- 2- 1
-do- At Bank.	72,25,574- 4- 3		Payments to other units for credit purchases.		1,23,34,356- 2- 0
-do- In P.D. account.	98,77,044- 1- 7		Transport charges.		30,50,558- 5- 7
		1,90,09,928- 3- 8	Hulling charges.		11,21,196- 5- 5
Sale proceeds: Foodgrains.		2,77,08,958-11- 6	Commission to village officers.		2,80,626- 7- 8
-do- Standard cloth.		30,46,968- 5- 0	Miscellaneous.		2,85,619-11- 4
Credit sale receipts from other units.		1,07,95,607-12- 2	Deposit refunds.		1,34,361- 7- 1
Deposits.		42,21,014-11- 2	Advance.		1,21,67,918- 3- 9
Refund of Advance.(parties)		1,13,99,223- 5- 3	Dead stock articles like weighing machines, weights etc.		13,125-11- 4
-do- from Standard Cloth (No.II account)		15,00,000- 0- 0	Suspense (amount to be recouped by debit to the head 32 B War expenditure.)		1,58,609- 8- 4
Miscellaneous receipts.		1,25,297- 8-11	Standard cloth (Director of Textiles).		12,80,110-10- 7
Suspense.		20,472-10- 3	Advances to other units.		1,12,37,702-0- 10
Amounts received from other units.		1,12,37,702- 0-10	Closing Balance.		
Commission recovered.		9,878-10- 3	On hand.	4,09,219- 0-3	
			At Bank.	52,09,462- 1-2	
			In P.D. account.	30,90,506-14-8	
					25,23,174- 3- 0
		8,90,75,051-15- 0			8,90,75,051-15- 0

Auditor and Accounting Officer,
Food Supplies Department.

IV

Statement showing acquisition of foodgrains during the half year ending 30-6-45.

Sl.No.	Commodity.	Quantity.		Cost.
	Local.	P.	Srs.	
1.	Paddy No. I.	6,34,523 -	85	84,29,150- 4- 3
2.	Paddy No.II.	8,86,854 -	33	1,02,23,729- 5- 1
3.	Paddy No.III.	1,66,839 -	02	17,18,242- 5- 6
4.	Ragi.	5,79,472 -	15	81,82,522- 4- 6
5.	Jola.	56,413 -	68	7,88,270- 0- 1
6.	Rice (small quantities through Police)	417 -	23	11,432-12- 9
7.	Wheat & wheat products.	392 -	74	13,857- 5- 2
8.	Other millets (Save, Haraka, Navane etc.)	21,184 -	50	2,71,334-10- 0
	Paddy & rice from Coorg.			
1.	Paddy.	1,55,256 -	48	20,07,342- 8- 0
2.	Rice.	28,007 -	37	7,27,341- 1- 1
3.	Other commodities (Sugar etc.)			38,67,482- 7- 6
			Total.	3,62,47,204-15-11
	Foreign.			
1.	Urd & Urd dhall, Hyderabad and Rajnandgaon.	8744 bags.	24,046 Mds.	3,20,045-15- 0
2.	Broken rice, Karachi, Rajnandgaon, C.P. and Berar.	16201 "	41,588 " 18 Srs.	3,86,247-11- 9
3.	Wheat products, Hyderabad.	1920 "	196 lbs. each.	90,765- 3- 0
4.	Bajra, Punjab.	197 "	519 Mds. 18 Srs.	4,170- 7- 6
5.	Rice, Karachi, Kapurthala and Chittoor.	71297 "	1,78,219 Mds.	21,12,806- 8- 0
			Total.	29,16,035-13- 3
	Foreign purchases of foodgrains supplied to C and M Station.			
1.	Wheat products, Hyderabad ..	570 bags of 196 lbs.		26,932- 8- 0
2.	Rice, Karachi	25131 "	of 62837 Mds. 20 Srs.	7,10,971-10- 0
3.	Urd & Urd dhall, Hyderabad.	1650 "	4537 Mds. and 20 Srs.	63,671-10- 4
			Total.	8,01,575-12- 4

Auditor & Accounting Officer,
Food Supplies Department.

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V

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Statement of Closing Stock of foodgrains etc., as on 30th June 1945.

Sl.No.	Commodity.	Quantity.	Cost.
1.	Paddy No. I.	3,20,769 - 43	42,80,813-12- 0
2.	-do- No.II.	5,85,957 - 69	66,72,957-12-0
3.	-do- No.III.	82,733 - 70	8,73,915- 2- 0
4.	Rice No. I.	82,997 - 95	24,81,363- 6 -2
5.	-do- No.II.	1,20,616 - 51	30,00,408- 8- 0
6.	-do- No.III.	10,444 - 19	2,38,502- 5- 6
7.	Ragi.	4,39,599 - 27	61,64,788- 8- 3
8.	Broken rice.	9,913 - 24	1,24,777-12- 9
9.	Jola.	21,880 - 61	2,99,392-13- 3
10.	Save.	1,594 - 42	19,686- 5- 0
11.	Navane.	9,284 - 67	1,18,158-15- 0
12.	Haraka.	5,323 - 76	65,359- 2- 0
13.	Tur dhall.	13,861 - 25	2,41,575-14- 3
14.	Urd dhall.	4,245 - 62	1,99,292-13- 0
15.	Urud.	8,996 - 73	2,84,034- 7- 0
16.	Sajje.	1,791 - 22	23,227- 12-0
17.	Bengal gram.	30 - 16	609- 6- 0
18.	Bran.	2,543 - 73	17,407-12- 9
19.	Wheat.	1,477 - 80	38,013- 9- 0
20.	Soji.	Mds. 3,247 - 0	15,749- 8- 0
21.	Wheat flour.	" 4,044 - 6 Viss.	16,301-13- 0
22.	Maida.	" 704 - 2 "	3,798-15- 0
23.	Sugar candy.	" 1,180 - 2 "	6,321- 5- 9
24.	Sugar.	" 99,550 - 0	4,94,922- 1- 0
25.	Gunnies. Empty tins.	25,64,957) 4,405)	9,40,080-10- 0
26.	Bura sugar.	" 2,315 - 7 Viss.	12,080- 8- 0
~~27.~~	~~Standard cloth.~~		~~2,05,040- 9-10~~
28.	Jaggery.	" 3,339	6,533-12- 0
29.	Kerosene oil.	Tins. 13,073 - 15 bottles.	65,372- 4- 0
30.	Fuel & charcoal.		18,588-15- 0
		Total.	~~2,46,29,648-5- 6~~ 2,67,24,005-11-8

Auditer & Accounting Officer,
Food Supplies Department.

BTS/

Statement showing deficiency in stock (between Book & counted balances) as on 30th June, 1945.

Sl. No.	COMMODITY.		QUANTITY.	COST.
1.	Paddy	Pallas.	1,281--85	16,955- 0- 0
2.	Rice	"	3,853--11	96,378-14- 0
3.	Ragi	"	1,332--53	18,646-14-00
4.	Jola	"	1,502--86	21,922- 1- 0
5.	Urd Dhal	"	56--77	2,908- 3- 0
6.	U r d	"	82--39	2,822-11- 0
7.	Tur-Dhall	"	432--75	14,276- 3- 0
8.	Fried Bengal Gram	"	10--15	405- 9- 0
9.	Wheat Flour		14,322 Lbs.	2,057-12- 0
10.	Wheat	Pallas.	927--52	21,651-13- 0
11.	S e j i	Lbs.	11,590	22,325- 9- 0
12.	Sugar	Maunds.	632	3,538-10- 0
13.	Jaggery	"	1,083--4 Viss.	5,082-12- 0
14.	Millets.	Pallas.	68--62	979- 1- 0
15.	Maida	Lbs.	2,199	442- 0- 0
16.	Broken Rice	Pallas	574--39	9,268- 7- 0
17.	B r a n.	"	1,482--99	2,816- 7- 0
18.	Kerosine Oil	Tins.	120--3 Bot.	671- 0- 0
19.	Groundnut Oil Cake.	--	--	195- 9- 0
20.	Empty Gunny Bags.	No.	58,167	21,812-10- 0
	TOTAL.	--	--	Rs. 2,45,157- 1- 0

Auditor & Accounting Officer,
Food Supplies Department.

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STATEMENT NO. VIII.

Statement showing the receipt of Periodical Account Returns up to 31-7-45 from the several Unit Officers of the Food Supply Department.

Name of the Unit.	Period of the return.	Cash Return (C.S.form 17)	Period of the return.	Stock Return C.S.form 16.	Period of the Return	Transfer of Stock Returns (C.S.form 14 & C.S.form 14(a))	Period of the Return.	Stock Verification Report.
D.C.Hassan.	June,45.	16-7-45	June, 45	20-7-45	June,45.	20-7-45	June,45.	19-7-45
D.C.Shimoga.	June,45.	26-7-45	May, 45	22-6-45	June,45	26-7-45	May, 45	28-6-45
D.C.Tumkur.	May, 45.	12-7-45	May, 45	12-7-45	June,45	19-7-45	June,45	27-7-45
D.C.Chitaldrug.	May, 45.	28-7-45	May, 45	28-7-45	May, 45	28-7-45	June,45	27-7-45
D.C.Mandya.	Feb. 45	4-6-45	March,45	28-6-45	Jany.45	4-7-45	June,45	26-7-45
D.C.Bangalore.	May,45	18-7-45	Feby. 45	21-6-45	Feby.45	21-6-45	May, 45	5-7-45
D.C.Kadur.	May,45.	25-6-45	Feby. 45	23-5-45	June,45	25-7-45	May, 45	27-7-45
D.C.Mysore.	May,45.	12-7-45	May, 45	12-7-45	May, 45	12-7-45	June,45(GCD.)	19-7-45
D.C.Kolar.	June,44.	18-12-44	March,44	25-11-44	--	--	Dec. 44	22-1-45
Rationing Officer, Bangalore	Feby.45	30-4-45	Feby. 45.	21-6-45	--	--	June,45.	23-7-45
-do- Mysore.	Oct. 44.	23-11-44	June, 45	8-7-45.	--	--	June, 45	16-7-45.
A.D.F.S. (Depots).	--	--	--	--	--	--	June, 45	26-7-45

Auditor & Accounting Officer,
Food Supplies Department.

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Statement of Subsidy for the period 1-1-45 to 30-6-1945.

	Quantity received.	Purchase rate.	Selling rate.	Subsidy.
1. Broken rice, Karachi.	9,398 bags of 2 1/2 Mds. each.	12-8-0, 10/- and 9-8-0 a maund F.O.R. Karachi.	15 - 10 - 0 a palla*	1,96,023
2. Broken rice, Rajnandgaon.	1,800 bags of 2 1/2 maunds.	6-8-0 a maund F.O.R. despatching station.	15 - 10 - 0 "	14,017
3. Rice, Kapurthala.	4,474 bags of 2 1/2 maunds each.	12-6-9 a maund F.O.R. despatching station.	32 - 9 - 0 "	44,855
4. Rice, Karachi.	91,594 bags of 2 1/2 maunds each.	11-5-0, 10-13-0 and 8-15-0 a maund.	32 - 9 - 0 "	4,04,369
5. Broken rice, C.P. & Berar.	5,003 bags (13,593 - 18 seers).	@ 8-4-0 a maund F.O.R. despatching station.	24 - 4 - 0 "	13,210
6. Cost of Paddy. -do- Rice.	1,55,256 - 48 seers. 26,007 - 37 "	12-8-0 a palla (paddy)	28 - 7 - 0 "	1,50,000
			Total.	8,22,474

Note.

		Rs.
	Subsidy to end of December 44 as per previous reports. ..	27,04,626/-
BTS/	Current subsidy. ..	8,22,474/-
	Total subsidy to date. ..	35,27,100/-

Auditor and Accounting Officer,
Food Supplies Department.

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STATEMENT NO. 9.

Statement showing the progress report of Local Audit to end of June, 1945 in the several Districts and the Units of the Food Supply Department.

Name of the Unit.	Total No.of Units to be audited.		Audit so far completed.			Audit completed during the month.			Audit in progress.			Audit not yet taken up.		
	No.of Units.	Period to end of	No.of Units.		Period to end of	No.of Units.		Period to end of	No.of Units.		Period to end of.	No.of Units.		Period from.
Rationing Office, Bangalore City.	58 Depots.	June, 45	4 Depots		30-6-45	4 depots		31-8-45	2 depots		31-12-44	3 depots		1-3-45
			1 "		31-8-45	6 "		31-12-44				1 "		1-3-45
			4 "		30-4-45							4 "		1-4-45
			4 "		31-3-45							4 "		1-3-45
			1 "		28-2-45							1 "		1-6-45
			2 "		31-1-45							2 "		31-10-44
			37 "		31-12-44.							3 "		30-11-44
Rationing Office, Mysore.	68 Depots.	June, 45.	36 Depots.		31-3-44	1 depot		31-8-45	3 depots		31-1-45	36 Depots		1-4-44
			9 "		31-8-44	1 "		31-4-44	5 "		31-12-44	4 "		1-8-44
			6 "		30-6-44	1 "		31-8-44				3 "		1-4-44
			6 "		31-10-44	1 "		31-6-45				9 "		1-9-44
			1 "		31-8-44							4 "		1-11-44
Reserve & Sub-Godown, Bangalore.	45 Units.	June, 45.	12 Units.		31-12-44	5 Units.		31-8-45	1 R.S. 1 S.G.		31-3-45	7 Units.		1-4-45
			1 "		30-6-45							12 "		1-1-45
			2 "		30-9-45							25 " (in part)		1-8-45
Deputy Commissioner, Kadur.	7 Taluks	June, 45.	1 Taluk		30-6-45	1 Taluk		30-6-45	2 Taluks		31-5-45	2 Taluks (part)		1-8-45
			2 "		31-12-44	1 "		31-3-45				2 Taluks		1-1-45
			2 "		31-1-45	1 "		31-1-45				1 "		1-6-45
			1 "		30-4-45							1 "		1-10-44
			1 "		30-7-44							1 " (part)		1-6-45
Deputy Commissioner, Shimoga.	10 Taluks & 2 Units.	June, 45.	3 Taluks		31-12-44	2 Taluks		31-12-44	2 Units & 3 S.G.		31-12-44	3 Taluks		1-1-45
			2 "		31-10-44							2 "		1-11-44
			1 "		30-9-44							1 "		1-10-44
			1 "		31-12-43							3 "		1-1-44
												2 Units		1-1-45
Deputy Commissioner, Chitaldrug.	10 Taluks & 2 Units.	June, 45.	5 Taluks (part)		30-9-44	2 Taluks (part)		30-4-45	2 Taluks		31-5-45	5 Taluks (part)		1-10-44
			3 Taluks		30-4-45	2 Taluks		28-2-45				3 Taluks		1-8-45
			1 "		31-3-45							2 "		1-3-45
			1 "		28-2-45									

	& 2 Units.	2 Taluks (part)	31-3-45	1 Taluk 2 Taluks (part)	31-3-45	1 Taluk & D.C. Office.	31-8-45	8 Taluks (part) 1 " 2 " 1 " 1 Unit 1 "	1-4-45 1-8-45 1-8-45 1-1-45 1-5-45 1-8-44.
		2 Taluks (part)	30-4-45						
		1 -do-	31-1-45						
		1 -do-	31-1-45						
		1 Taluk	31-12-44						
Deputy Commissioner, Hassan.	8 Taluks & 2 Units. June, 45.	6 Taluks (part)	31-3-45	1 Taluk & [illegible] & D.C.Office.	31-3-45	1 Unit (part)	30-6-45	1 Unit 7 Taluks (part) 1 Taluk	1-4-45 1-4-45 1-8-45
Deputy Commissioner, Mandya.	9 Taluks June, 45.	1 Taluk (part)	31-3-45	1 Taluk (part)	31-8-45	1 Taluk (part)	31-10-44	2 Taluks (part)	1-1-45
		1 "	31-1-44	1 "	31-10-44	2 Taluks	31-12-44	1 "	1-4-45
		2 "	31-10-44	1 "	31-10-44			1 "	1-2-44
		1 "	30-6-44					2 "	1-11-44
		1 "	31-12-44					1 "	1-7-44
		1 "	30-9-44						
		2 "	31-12-44.						
Deputy Commissioner, Kyasore.	10 Taluks June, 45. 2 Units.	3 Taluks (part)	31-12-44	5 Taluks (part)	31-12-44	5 Taluks	31-12-44	4 Taluks (part) 2 Units 4 Taluks	1-8-44 1-8-44 1-1-45
		1 Taluk	31-8-44						
		1 "	31-3-45						
		1 "	31-5-45						
Deputy Commissioner, Bangalore.	12 Taluks & other Units. June, 45.	3 Taluks	31-10-44	1 Taluk & all allied depots	31-3-45	3 Taluks	1-3-45	5 Taluks	1-4-45
		1 "	30-6-44			1 "	1-4-45	1 "	1-4-45
		1 "	30-6-44			1 part	31-3-45	3 Taluks (in part)	1-11-44
		1 part	30-6-44	1 Taluk	28-2-45	1 -do-	31-3-45	2 -do-	1-8-45
		1 -do-	31-12-43	1 Taluk	28-2-45			1 -do-	1-7-45
		1 Taluk	31-7-43						
		2 Taluks part.	31-8-44.						
E.C.D. Mysore.	25 Units (Mills & Bathex Depots) June, 45.	4 Units	31-12-44	--	--	21 Units	31-3-45	4 Units 21 "	1-1-45 1-4-45
Dy.Commissioner, Kolar.	11 Taluks & K.G.F.Area. June, 45.	1 Taluk part.	30-4-45	5 Taluks part.	30-6-45	5 Taluks part	30-6-45	2 Taluks part.	1-4-45
		2 -do-	31-3-45	1 -do-	31-3-45			6 Taluks "	1-1-45
		2 -do-	31-3-45	1 -do-	28-2-45			1-Taluk	1-3-45
		2 -do-	30-6-45					2 ½ Taluks	1-6-45
		4 Taluks	30-6-44						

Auditor & Accounting Officer.
Food Supplies Department.

Statement showing the particulars of audit reports issued, received back with replies, amounts objected to in audit and recoveries made etc.

S. No.	Name of unit.	Audit reports. No. issued.	No. recd. with reply.	Balance.	Amount objected to. For recovery.	For other reasons.	Total	Amount recovered.		Balance outstanding.
	Local Audit.									
1.	R.O.,B'lore.	179	34	145	13207-11-2	1,39,395-14-5	1,5	33-9-7	4,050-12-7	1,48,542-13-0
2.	R.O., Mysore	62	-	62	3302- 7-3	10,192-11-9	1	95-3-0	--	13,495- 3-0
3.	Kadur Dist.	7	-	7	--	35,075-11-8	3	75-11-8	795-8-10	35,170- 2-10
4.	Hassan Dist.	102	16	86	12764- 1-6	42,717- 5-5	5	81- 6-11	--	55,481- 6-11
5.	Kolar Dist.	96	2	94	2351- 1-8	13,616-15-9	1	69- 1-5	248-10-9	15,719- 8- 8
6.	Shimoga Dist.	6	2	4	12331- 0-9	1,011-10-6	1	75- 4-3	640-13-0	13,632- 7-3
7.	Tumkur Dist.	44	-	44	10377-10-5	21,852- 1-9	3	09-12-2	716- 2-2	31,493-10-9
8.	B'lore Dist.	8	-	8	540- 1-4	79,648- 3-2	8	92- 4-6	13240-14-3	66,947- 5-3
9.	Chitaldrug Dist.	61	9	52	13105-14-3	69,527- 4-2	8	53- 2-10	13500-15-5	69,132- 3-5
10.	Mandya Dist.	32	6	26	4887- 9-5	4,093- 2-0		80-11-5	3257-12-2	5,412-15-3
11.	Mysore Dist.	17	-	17	15655- 1-5	8,194- 8-3	23	49-9- 8	4362-15-3	19,486-10-5
	Total (Local Audit)	614	69	545	86253- 4-7	4,27,105- 8-10	5,13	58-13-5	40,841-8-5	4,74,517- 3- 0
	Add Central Audit Objections.	-	-	-	13587- 1-0	-	13	97- 1-0	3,486-4-0	10,530-13- 0
	Grand Total.	614	69	~~614~~ 545	1,02,210- 5-7	4,27,105-8-10	5,29	16-14-5	44,327-12-5	4,85,048- 3- 0

Auditor and Accounting Officer,
Food Supplies Department.

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Balance Sheet of Standard Cloth Account (State) as on 30th June 1945.

Liabilities.	Rs. A. P.	Assets.		Rs. A. P.
Comptroller	35,00,000 - -	Sale proceeds due from Deputy Commissioners.		29,57,492- 4-8
Director of Food Supplies.	3,84,978-15-9	Closing Stock.		9,43,507- 0-4
Dyeing charges payable.	64,145- 7-0	Closing Cash:		
Controller of Supply Accounts.	30,58,203- 7-0	In P.D. account.	27,[illegible]6,935-1-9	
Profit.	60,942- 3-3	In transit.	4,[illegible]0,335-9-6	
				31,67,270-11-3
	70,68,270- 0-3			70,68,270- 0-3

Audited and Accounting Officer,
Food Supplies Department.

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Profit and Loss Account of Standard Cloth up to end of 30 - 6 - 1945.

TO		By	
Purchases paid.	39,11,865- 0- 3	Sales.	61,90,320-12-11
-do- payable.	30,58,203- 7- 0	Miscellaneous receipts.	11,519-12- 3
Dyeing charges paid.	30,191- 8- 0	Closing Stock.	9,43,507- 0- 4
-do- payable.	64,145- 7- 0		
Profit.	60,942- 3- 3		
	71,45,347- 9- 6		71,45,347- 9- 6

Auditer and Accounting Officer,
Food Supplies Department.

BTS/

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Cash Account of Standard Cloth to end of 30th June 1945.

Receipts.		Payments.	
From Comptroller.	35,00,000- 0- 0	Controller of Supply Accounts.	38,95,388- 4- 0
Advance received from Director of Food Supplies.	3,84,978-15- 0	Payments to Sri Krishnarajendra Mills etc.	16,476-12- 3
		Dyeing charges.	50,191- 8- 0
Sale proceeds received from Deputy Commissioners.	32,32,828- 8- 3	Closing balance.	
		In P.D. account.	7,56,935- 1- 9
Refunds received.	11,519-12- 3	In transit.	4,10,335- 9- 6
	71,29,327- 3- 6		31,67,270-11- 3
			71,29,327- 3- 6

BTS/

Auditor.

Accounting Officer,
Food Supplies Department.

ANNEXURE - A.

Statement showing cases of defalcations and other irregularities. -

1. Mis-appropriation and falsification of accounts. -

Rationing Office, Mysore City.- The cash accounts of No.3 and 16 Sales Depot, Mandi Mohalla were maintained in a very unsatisfactory - condition. The Cash Book was written up only to end of 14-9-'44 though the depot continued to function till the 9th October '44 when it was - finally wound up and given over to a private merchant. The transactions of both receipts and payments for the above period had to be posted by audit to ascertain the exact position of cash on the date of closure, which led to a closing balance of cash of Rs. 781-0-1 and this was not accounted for by the depot manager when he was relieved of his charge.

In four instances, amounts totalling to Rs. 757-7-7 were falsely charged in the cash book as remitted to the Mysore Bank, while actually no remittance was made at all.

In addition, there was an omission to take to account bills for -- sales actually made to the extent of Rs. 23-8-6 totalling in a shortage of Rs. 781-0-1.

It was reported by the Food Inspector in charge of this depot on - 15-1-'45 that the full amount was recovered and credited to Bank. While verifying the credits in the Bank, only 3 amounts were found to have - been remitted to the Bank amounting to Rs. 701-4-9 and the balance was not remitted.

Even then, there was further interesting fraud that one item of -- Rs. 259-6-0 included in the above sum was really the same proceeds of another depot (depot No. 10, Devaraja Mohalla) of which this same - - person was in charge later. He had shown this amount as relating to - No. 16 Mandi depot, and the Food Inspector was hood-winked into - - - - believing that this was in adjustment of the amount previously defalcated. This was found out in audit and this amount and the balance of Rs. 79-11-4 still due towards the full adjustment of the amount of - - Rs. 781-0-1 were subsequently got recovered from the party and credited to Bank on 22-6-'45.

2) In the course of audit of accounts of No. 9 Sales depot, Devaraja Mohalla, the closing cash balance of Rs. 325-4-9 on the 30th - - January '45 on the day on which the depot was finally closed, was required to be remitted to the Bank immediately and accordingly, the depot manager prepared a challan in duplicate for only Rs. 25-4-9 and remitted this amount to the Bank on 31-1-'45. After the duplicate challan - was received back with the Bank's acknowledgment, the depot manager - - fraudulently interpolated an amount of Rs. 300/- both in words and - - figures so as to make it appear that the amount remitted was Rs.325-4-9 and filed this fabricated voucher in support of the payment charged in the Cash Book for Rs. 325-4-9, but while independently verifying the -- credit in the Bank's daily statement of Account Current, it was found - out that the remittance made was only Rs. 25-4-9 and this was proved by the original challan filed in the Bank. This fraud was immediately - - reported to the Rationing Officer by a special memo and the amount - - defalcated was recovered and credited to the Bank on 2-5-'45. A detailed audit of the accounts of this Depot is under progress to find out the - total extent of loss both in cash and stock for the period the depot -- was in existence. The concerned depot manager has been dismissed from service.

Mysore District:- It was noticed during local audit of the standard khaki cloth depot, Periapatna that the entries made on 19-7-'44 in the stock register were fraudulently corrected and the closing stock was reduced thereby in the following items:- Std.20/4 -- 118 yds. and Std. 8 yds. Dhoties -- 20 pairs, transferred to Bettadapura Sales Depot. The items were corrected to 168 yds and 25 pairs respectively.

(ii) On 26-7-'44 after the issue of ~~10 1/4~~ 10-1/4 yds of Std.20/6 (27" shirting) the balance worked up to 2661 and 5/8 yds and not 2611 & 5/8 and entered in the stock ~~x~~ registers. Other irregularities together with the above resulted in the shortage of cash to the extent of Rs.304-11-11 which was recovered from the depot clerk and remitted to the Try. 9-15-5 on 22-11-'44 and Rs.45-12-6 on 22-12-'44) The D.C. ordered that the services of the Depot clerk to be dispenced with and the Taluk Shanbhag

~~8. Cases of Misappropriation.~~ -

Bangalore District. The sales clerk of Kunnirkatte and Yelikere depots, Channapatna taluk, had misappropriated the sale proceeds -- totalling Rs. 692-2-6 (Rs. 276-12-0 and Rs. 415-6-6). These items - were however got remitted subsequently on the fraud being noticed -- during the inspection of the Auditor and Accounting Officer and later, during detailed audit which was immediately arranged for.

2) Between 3-2-45 and 23-6-45, the depot clerk at Mattikere, - - Channapatna taluk misappropriated sale proceeds amounting to Rs.74-8-0. After this was pointed out in audit, this was made good.

3) Hoskote Taluk.- Omission to take to stock account of the Medihalli Sales Depot of certain consignments received from the Reserve -- depot, Hoskote resulting in a misappropriation of Rs. 379-7-0 was - - noticed. This amount was subsequently made good. Similarly, in Kadugodi Sales Depot, omission to take to stock account of a consignment - of wheat resulting in misappropriation of stock of the value of - - - Rs. 165-3-11 was noticed.

4) Bidadi Depot.- A misappropriation of Rs. 100-13-6 was noticed - between 30-7-44 and 31-8-44. The amount was got recovered.

5) Devanahalli.- Between January and June '45, misappropriation of - the sale proceeds under Sugar and Sugar candy amounting to Rs.184-6-0 - was observed in audit and communicated to the Amildar. The clerk - - - concerned admitted the fact but stated that this was due to over-sight.

Standard Cloth account, Devanahalli.- In the same taluk, it was - - observed that the Taluk Sheristedar had merely certified to the balance of standard cloth on 30-6-45 without actually verifying the stock - - existing in the depot on that date. It was however pointed out during audit that a total shortage of 7,840 yards had been left out of account and the Sheristedar had certified an incorrect balance to this extent.

6) Magadi.- Standard cloth valued at Rs. 135-8-11 was unaccounted - for. There cannot be any shortage of stock under standard cloth. Similarly, the standard cloth sales clerk had misappropriated sale proceeds of standard cloth amounting to Rs. 31-11-8.

7) Maralwadi depot.- Kankanahalli Taluk.- There was a case of - - - belated remittance of sale proceeds amounting to Rs. 112-3-6 kept by -- for more than a year and credited on 16-6-45, after being pointed out - in audit, and it cannot but be treated as a misappropriation of funds.

~~8) The amount objected to so far aggregates~~ to Rs. 80,~~188-4-6. Cash~~ recoveries amounting to Rs. 13,240-14-3 ~~leaving a balance of Rs. - - - 66,947-6-3~~.

Kadur District.- In C (1) Depot, Chickmagalur, a total amount of Rs. 503-0-0 representing sale proceeds had been misappropriated. The amount was got credited to the Treasury later on after it was pointed out in audit.

2) In the N.R. pura Sub Taluk depot, a sum of Rs. 175-10-9 being the sale proceeds realised during the month of January, February, March and May '44 in the Central Depot at Narasimharajapura was not accounted for in the Cash book nor the amount remitted to the Treasury; when this omission was pointed out in audit, the amount was remitted to the - - Treasury on 9-10-44.

3) When charge of the standard cloth depot at Chickmagalur was -- handed over ~~xx~~ by one manager in February '44 to his successor, a sum - of Rs. 777-5-6 being the amount of cash balance held by the former was not at all handed over to the latter immediately but was remitted by - him piece-meal to the Treasury in June '44 with a delay of more than -- 3 months. This excessive delay in the remittance of sale proceeds is temporary misappropriation of Government money.

Rationing Office, Mysore City. The audit of accounts of No.6 Sales depot, Chamaraja Mohalla revealed serious irregularities leading to heavy shortages of cash amounting to Rs. 425-9-4 and of goods costing Rs. 454-12-9 during the incubancy of a manager. The shortage of cash is due to a deliberate misappropriation of Government money of sale proceeds actually realised but not remitted to Bank and this is confirmed by the fact that the depot manager had himself subsequently made good a sum of Rs. 403-15-9 to the Rationing office later on.

Regarding the shortage of goods costing Rs. 454-12-9, no investigation appears to have been made as to how exactly the shortage occurred. But the shortage in cash leads to the suspicion that the stock also was fraudulently disposed off.

2) It was noticed on the examination of the accounts of No. 5 Sales Depot, Nazarbad Mohalla, that a sum of Rs. 143-1-8 was realised on account of sales as evidenced by cash bills but was not brought on in the cash book or sales book and remitted to the Bank or to the Rationing office. This is a clear case of misappropriation by the previous depot manager. He was also further responsible for a short recovery of Rs. 21-1-0 due to incorrect calculations.

There has been at the same time an un-explained heavy shortage in the stock of rationed articles costing Rs. 286-14-2. It is learnt that the concerned manager has not furnished cash security and it is not clear how the Department is going to recover the total sum of Rs. 451-6-10 due from him.

3) The audit of the account of No. 7, 8 and 9 Depot in Lashkar Mohalla disclosed heavy shortages of cash and stock amounting to Rs. 1,053-0-6 during a period of transactions of nearly 4 months of its existence. The shortage of cash of Rs. 484-7-6 is obviously a case of misappropriation of Government money actually realised by sale of goods and evidenced by necessary documents. The shortages in stock costing Rs. 568-9-0 could not, under these circumstances, have occurred in the ordinary course of business and it is likely that the articles might have been sold clandestinely and the proceeds defalcated.

4) There was a shortage of cash of Rs. 17-12-3 and of stock costing Rs. 210-11-9 in the accounts of No. 14 Sales Depot in Lashkar Mohalla during the incumbency of the same depot manager who was in charge of No. 7, 8 and 9 Sales depot in the same mohalla, and was found responsible for a defalcation of cash of Rs. 484-7-6 and a suspicious shortage of goods valued at Rs. 568-9-0. The full amount has of course been objected to for recovery.

It is a note-worthy fact that the man who had proved himself thoroughly dishonest in handling Government Cash and stores in a previous instance should have been placed again in responsible charge and allowed to cause further loss to Government by similarly fraudulent means.

5) It is observed that the sale realisations of No. 13 Sales depot in Lashkar Mohalla for the period from 20-12-43 to 14-4-44 were not being remitted to the Bank regularly every day and even remitting them irregularly some amounts were with-held and shown as part of the closing cash balance. Since the audit disclosed a cash deficit of Rs. 92-3-8, it is evident that what was represented in the cash book was not true and there must have been temporary misappropriation in the first instance eventually leading to permanent shortage in Government cash.

6) The audit of the accounts of the No.10 Sales Depot, Mandi Mohalla from 1-7-44 to 18-10-44 disclosed a short remittance of cash Rs.25-10-7 due to the omission of cash bills actually issued for sale of commodities. This is a clear case of embezzlement of Government money either by the depot manager or the depot clerk.

There is further an abnormal shortage in gunny bags to the extent of 449 and no satisfactory explanation was given. In fact, no account was maintained for empty gunnies as per rules.

Mandya District:-

/ On 19-1-45 a sum of Rs.24,358-7-0 was charged off in the cash book towards paddy payments in Seringapatam Taluk Office as against the actual total of Rs.24,103-14-0. A sum of - - Rs.249-9-0 was therefore charged off in excess. After a - - lapse of nearly five months, the Food Accountant credited - - Rs.249-9-0 to the Treasury on 12-6-45 and entered the same on the receipt side of the cash book. The challan was also signed by him. It is not clear who had mis-appropriated this amount during this long interval. The matter is under investigation.

2. The following irregularities were noticed in the accounts of the Kasaba Sales Depot, Mandya.

1) Short remittance of sales proceeds for 7-4-45 - - Rs.57-6-0.

2) Failure to take into account the quantities received by him ~~months~~ from the Reserve Depot Manager --- Rs.163-8-0.

3) Shortages of stock --- Rs.400-0-11.

Total amount:- Rs.620-14-11.

~~Periodical Verifications~~

Periodical Verification of cash and stock were not conducted by the Local Officers. The entire sum was recovered from the party concerned and credited to Treasury.

3. The cash and stock accounts of standard cloth were not maintained properly and the following irregularities were - - - noticed:- ~~Shortx~~

a)	Short remittances of sales proceeds	43- 0-10
b)	Sale proceeds not credited to Treasury -- -- --	45- 5- 1
c)	Cost of consignments received and acknowledged by the Depot clerk and not brought on the stock register -- ---	117- 9- 0
d)	Value of shortages in stock ---	81- 7-10
		Rs.287- 6- 9
	Octroi on the above -- ---	4- 8- 0
	Total ---	Rs.291-14- 9

Periodical Verification of stock and cash was not made by the Local Officials. The entire amount was however recovered on 30-4-45 and remitted to the Treasury.

4. Un-authorised and suspicious write off of shortages in stock.-

Hassan district.- At Alur A.P.B. Mills, the following shortages are recorded and stock balance has been reduced in Registers without sanction.

Paddy I	132 P. 35 Srs.	on 5-6-44
Paddy II	52 P. 99 "	-do-
Ragi	5 P. 28 "	19-8-44
Paddy I	33 P. 5 "	2-6-44

The stock verification had been done on 1-6-44 by the Amildar who has certified the book balances as verified balances and there were no subsequent purchases. How within the short interval of 1 to 4 days there could be such excessive shortages in Paddy valued at -- Rs. 2,786/- is ~~xxx~~ un-understandable. Under ragi, the stock was got measured by the local auditor on 16-6-44 who found in fact an excess of 6 pallas 75 seers, ~~xxxxxx~~ which was got taken into the register but the depot clerk has recorded a shortage of 5 pallas 28 seers on 19-8-44. ~~/xxx/xxx/xxxxx/xxxxx/~~ These shortages are thus distinctly suspicious ~~just two months later~~ and the write off in account was un-authorised.

Rationing office, Bangalore City. In the Fuel Reserve Depot No.1, a quantity of 160 tons 12 cwts. and 1 quarter was eliminated from the stock account as driage on 3-12-44. This was not done as a result of any stock taking. In fact, stock has not been taken at any time in -- this depot. How this was considered to be all driage is also not -- known. Competent sanction was also not produced.

5. Cases of excessive shortages.-

Rationing Office, Mysore. The audit of the accounts of No.3 Sales depot in Devaraja Mohalla disclosed a heavy shortage of rationed -- articles costing Rs. 321-13-7. In the investigation conducted by the Departmental officers as to how this shortage occurred, it was learnt that the depot manager and the bill clerk with the connivance of the measurer were strongly suspected of having made clandestine sales -- of the articles found short and of having defalcated the amount. -- There was a short remittance of Rs. 7-6-5 of sales proceeds actually realised involving on the whole a total loss of Rs. 329-4-0 to Government. The amount is still outstanding un-adjusted.

2) The audit of the accounts of No. 10 Sales depot, Lashkar -- Mohalla for a period from 20-12-43 to 11-8-44 disclosed a heavy -- shortage in commodities of goods costing Rs. 388-7-11 that may be -- waived as due to unavoidable causes as driage, wastage etc., under competent sanction. The balance of the shortage costing Rs.516-11-1 for which the depot managers are responsible is objected to for -- recovery. This abnormal shortage is due to want of systematical -- stock taking by higher Departmental officers.

Rationing office, Bangalore City. / In depot No. 6 of 1st Division even after allowing a ~~xxxix~~ uniform allowance for shortage of 2 seers in the case of rice and 1 seer in the case of other commodities per -- palla, the amount of excessive deficiency was Rs. 1,137/- during the period of a previous manager. Rice, ragi and soji were the chief -- commodities in which the deficit was heavy. The Asst. Rationing --- officer reported in his letter No. Per.A.49/44-45 dated 12-10-44 to -- the Rationing officer that the manager of the period was not straight in his dealings. The Department has been asked to investigate the -- case specially.

2 One manager of the depot No. 15, 2nd division had kept his -- accounts in a very confused condition and had not completely posted the sales registers and stock receipt books. Stock receipts were -- not taken to account correctly. Stock taken to account was omitted from the monthly account rendered to the higher officers. Since the accounts of his period were thus not satisfactory, the audited -- account was compiled by taking the total receipts, deducting the -- stock taken over by his successor and giving full allowances for --

for permissible limit of shortages valuing the difference and - - deducting the remittance made. He was found to be responsible for a net deficit of Rs. 1,771/-.

He was further found to be responsible for short remittances under several heads amounting to Rs. 53-15-6. It is thus clear -- that he had mis-used both cash and stock.

Kolar District. During inspection by the Auditor and Accounting Officer, the District Reserve Depot, Kolar was following a novel - - method of taking credit for shortages. The consignments of rice - - received from Mysore and Shimoga Districts were not actually measured atleast after complete issue and taken to stock accounts. But the - quantities originally taken on the basis of ~~xxxxx~~ check-measurements of 5 or 10 bags only, the entire consignments of 200 to 500 bags - - would be taken to account at 2 seers to 2 3/4 seers less in each - - bag. Thereafter there was neither shortage nor excess. It was an - extraordinary thing that the entire consignment should actually work out to the test check of a few bags. Further, even in Bangalore - - City where consignments from the same places were received at the -- same time, the allround shortage was never more than 1 1/2 per cent. The write off of higher allround shortage was thus distinctly - - - suspicious. So, the complete stock of the depot at several places was checked and it was found that there was an excess of 7 pallas - of rice. As stock was being checked every month, the question arose as to how similar excesses which should have been noticed in the -- past were disposed of. It is significant that after inspection, -- 36 pallas of rice valued at Rs. 800/- have been taken to account as excess against original rate of 72 pallas of rice.

(a)
6. Shortage in cash.-

Kolar District.- The Amildar of Kolar taluk gave several - - - advances to his subordinates for purchase of ragi without maintaining an Advances and Adjustment Account by Receipt of Stock or - - - vouchers for expenses incurred and stock sold and balance of stock and advance. An audit of the advance accounts disclosed a total -- shortage of cash of Rs. 1,001/- as follows:--

1) Rs.200/Rs - advances to a subordinate officer outstanding without adjustment.
2) Rs.801/- - Deficit in closing balance.

When the irregularity was pointed out in audit, item No.1 was - recovered after a long interval. As regards item No.2, the Amildar has since recovered a sum of Rs. 350/- from the subordinates and -- produced records to account for a further sum of Rs. 459-1-0 stated to have been grains left out of accounts for want of correct maintenance of accounts.

(b) Shortage in sale proceeds.-

Kolar District.- The transactions of the Govt. Reserve Depot -- under the control of the same Amildar in regard to the retail sales disclosed during audit issues to Government amounting to about - - Rs. 233-13-0 on account of the sale proceeds of rice, ragi and - - sugar.

7. Stock not taken to account.-

Rationing officer, Bangalore City.- In depot No. 5 of 9th Division out of 40 bags of rice supplied and acknowledged by the manager on -- 1 occasion, only 20 bags were taken to account. Again, ~~xxxxx~~ out of 25 bags of 80 seers each of Ragi supplied and acknowledged on another occasion, only 15 bags of 93 seers were taken to account. The cost - of the difference viz., Rs. 530-11-0 has been asked to be recovered and the case investigated.

2) In depot No. 4 of 9th division, out of 62 bags of rice - - - supplied and acknowledged on one occasion, only 49 bags were taken - to account. The cost of the remaining 13 bags viz., Rs. 384-14-0 -- has been asked to be recovered and the case investigated.

3) Seven bags of dhall are noted in the supply register of the - Food office as supplied on two occasions to depot No. 3 of 2nd Division. A slip containing the acknowledgment of the bill clerk in one case is pasted to the supply book. In the other case, the manager - has signed the supply register in token of having received the - - - stock. These two consignments have not been taken into account both in the Stock Receipt Book and Stock Ledger. The cost of this - - - amounting to Rs. 300/- has been asked to be recovered from the - - - official responsible. As during the same period, this depot has - - shown certain unaccounted shortages under C.S. rice, Coorg rice and Jola, the bonafides of the staff became doubtful.

8. Loss due to inordinate delay in disposal of stock.-

Rationing officer, Bangalore City. Fried gram keeps for a longer period than the raw Bengal gram. But there was a delay of over one year in disposal of the fried gram with the result that even this -- became considerably deteriorated and worm eaten. In two depots - - against, 7,773 seers of gram issued, very little (about 20 seers only) was sold and the balance was auctioned in January 45 for the low - - value of Rs. 485/- against Rs. 3,109-7-0 due. The loss of - - - - - ~~xxxxxxx~~ Rs. 2,624-7-0 could have been avoided if vigorous action - had been taken for its disposal during the long interval.

9. Loss due to sale at less than the prescribed rates.-

Rationing officer, Bangalore City. Casurina and jungle charcoal has to be sold at the rate of Rs. 3-6-0 and Rs. 2-8-0 for a bag of - 75 lbs. at the railway station and the weigh bridge. They have to - be sold at Rs. 3-8-0 and Rs. 2-10-0 for a bag of 75 lbs. at the - - Reserve and Sales Depots. Instead of adopting these prescribed rates, varying rates which were less than these rates were adopted in selling them. The result ~~xx~~ was a short recovery of Rs. 1,926-0-8 as detailed below for the half year ending December 44 and this was found out in audit. The Department has been asked to recover the amount.

Railway station	..	446-1-9
Weigh bridge	..	739-7-3
R.D. II	..	269-12-6
I Dn., Seshadri-puram.	..	94-2-0
-do- Guttahalli	..	155-14-6
9th Dn., Depot No.1	..	154-9-0
-do- No.2	..	25-8-0
-do- No.3	..	27-5-8
4th Dn. Depot No.2		13-4-0
		1926- 0-8

10. Abnormal delay in remitting sale proceeds and accounting for advances drawn:-

Mysore District: 1. In the cases of the following closed depots there was an abnormal delay in remitting amounts to the treasury and suitable action has to be taken for this irregularity which amounts to mis-appropriation.

(i) Badanaguppe Depot (Chamarajanagar Tk.) closed on 18-3-44, Rs.266-1-6 remitted on 30-6-44.

(ii) Henganoor Depot (Chamarajanagar Taluk) closed on 25-4-44, Rs.319-10-3 remitted on 14-12-44.

2. Out of a sum of Rs.1,000/- drawn by the Spl.Sheristedar, Chamarajanagar, a sum of Rs.580/- was advanced to the several persons for the purchase of foodgrains in ~~the~~ March,45. No details for payment of Rs.580/- were produced. However a sum of Rs.394/- was credited to Treasury by the Speical - - - Sheristedar on the eve of his transfer in April, 1944 after a lapse of more than a year. This amounts nothing but a temporary misappropriation. The special sheristedar has not also taken into stock account 11 pallas and 50 srs of Jola stated to have been purchased by him. The cost of the above quantity Viz., Rs.120-12-0 is objected to for recovery. The action of the special sheristedar was highly irregular.

11. Non-Accountal of Stock:-

Mysore District:- 2 pallas 70 srs. of c.s.rice was issued to Petta Sales Depot from the Reserve Depot, Periapatna under invoice No.3709 of 28-6-45. The receipt was not taken to account in the Sales Depot. It was stated that the measurer who took the stock never delivered it to the sales depot. After necessary enquiry the cost of Rs.90/- was recovered from the measurer and credited in on 25-7-45.

Mandya District:- The Depot clerk of Nagamangal Tk. recorded a certificate of having received 20 pallas 8 srs. ragi in M.S.3 form, without actually bringing this quantity on the stock ledger, though the required entries were made in the purchase register, C.S.14 etc., When the stock was verified by Amildar on 30-6-45 the incorrect balance was also certified by him. This is under investigation. The value involved in this case is nearly Rs.300/-.

Rationing Office,Bangalore City:- In dept No.12 of 6th Dn., 22bags of rice costing Rs.505-6-0 supplied on ~~the~~ two different dates and acknowledged in by the Depot staff was not taken to account. The department is asked to investigate.

12. Abnormal shortages in stock:

Mysore District: 1. It was noticed during the inspection of Karimia rice Mills (T.N.Pur) that there was a short receipt of 9 pallas 12 srs of c.s.paddy. and 59 pallas 97 srs of kaddi paddy, in the quantity despatched from Yelandur to the Mills. Since the paddy was taken delivery by the Agent of the Millowner at Yelandur, there was no reason whatever for this heavy shortage. The amount of Rs.830/- has to be made good

2. Paddy transferred tfrom Mullur Depot (Heggadadevana Kote)to Hulla halli depot,(Nanjangud). The following shortages which work out to 10 % in transit were noticed during audit.

	P.	S.
Total quantity of paddy transferred as per Invoices from 19-4-44 to 30-6-44	596	--70
Quantity accepted -- --	537	--25
Shortage	59	--45

It is stated that this shortage of 59 pallas 45 srs included

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included, 35 pallas 55 srs of husk. Why paddy with so much husk was purchased and paid for at Government Depot requires investigation.

Husk	Pallas	35--55 Srs.
Shortage		23--90 "
Total		59--45

3. According to the stockregister of Henganur Depot.(Chamarajanagar Taluk) there should be a closing balance of 144 pallas, 15 srs of c.s.paddy on 30-10-44. This was not found in the Depot. The cost comes to Rs.1,801-14-0 of which a sum of Rs.657-0-0 was remitted on 28-12-44 and Rs.640-6-0 on 8-2-45 leaving a balance of Rs.504-8-0 yet to be recovered. Besides this there was a shortage of 7 pallas 16 srs of c.s.paddy in the quantity of stock transferred from Henganoor Depot to Chamarajanagar Depot, only a few miles distance. The cost of this shortage works up to Rs.89-8-0 which has to be recovered.

4. On 16-5-44 there was a book balance of 88--69 under Jola in Kuderu Depot of which 59 pallas 69 srs was paid by Government . Inspite of this balance of nf stock, transfer of stock from Chamarajanagar was effected for distribution. This was observed in audit and the Taluk authorities recovered a sum of Rs.981-6-0 stated to be towards the shortage of stock. It is not clear why before transfer of fresh jola to the depot, an enquiry was not made as to what became of the Jola shown as held in stock and why this shortage was not thus noticed earlier.

17.7.45

Auditer & Accounting Officer,
Food Supplies Department.

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A.79-46-6 S 20 39

GOVERNMENT OF MYSORE

Tele { phone: 2231
grams: Foodsup.

S.D.S 311
D 2291

No /46-47.
Encls.

OFFICE OF THE
DIRECTOR OF FOOD SUPPLIES
IN MYSORE,
Camp, Mysore,
~~Bangalore,~~ dated 3.10.1946.

From

K. Guru Dutt, Esq., B.A.,
~~G. SUNDARA RAO, Esq.,~~,
Director of Food Supplies
in Mysore, Bangalore.
Camp, Mysore.

To

A. Srinivasan, Esq., B.Sc.,
Secretary to the Govt. of Mysore,
Food Department, Camp, Mysore.

Sir,

Subject: --

I have the honour to forward herewith a copy of the report on the accounts and audit of the Food Supply Department, for the half-year ending 30-6-1946 prepared by the Auditor & Accounting Officer, of the Food Supply Department. It is seen therefrom that the loss on the Food Supply operations for the year 1945-46, is Rs.30,12,440-8 and this is mainly accounted for by the subsidy on imported food-grains. There is a budget provision of Rs.25,00,000/- to meet this loss. As stated by the Auditor in the report we are likely to have a loss in the year 1946-47 also on account of imports from outside the State. I, therefore request you to obtain sanction of Government to write off the entire loss in the accounts of 1945-46. For the excess over the Budget grant later approval of the legislature may be taken as was done in the year 1944-45.

As the June Final Accounts of the Comptroller are likely to be closed shortly, I request you to kindly communicate sanction for write off very early.

I have the honour to be,
Sir,
Your most obedient servant,

K. Guru Dutt
Director of Food Supplies.

nj/3.

Report on the accounts and audit of the Food Supply Department for the half-year ending June,1946.

I attach hereto the consolidated Cash Account (Statement I) the Profit & Loss Account (Statement II) for the half-year ending June, 1946 and the Balance Sheet (Statement III) of the Food Supply Operations as at end of 30-6-1946. The cash transactions have been agreed with the Treasury figures. The stock accounts have been - - agreed with the cash account and the transfers of stock from District to District also tallied. The figures as regards outstanding liabilities like transport charges payable have been taken on the best -- information available, after testing them with the quantities of - - stock acquired or handled, pending receipt of bills for railway credit notes issued etc.,

The Cash Position.

The minus closing balance under the item Personal Deposit Account in the Cash Account is due to the heavy overdraft in the Shimoga District not having been yet adjusted. The Deputy Commissioner, Shimoga District has been requested to adjust this early. The receipts by -- sale proceeds reached record figure of over 4 crores for the half-year and was fully sufficient to meet all the disbursements. The additional allotment of Rs.~~1,00,000~~ One crore sanctioned by Government was -- not utilised as the expected heavy imports from overseas did not - - materialised. Taking the cash operations for the entire year 1945-46 there was a surplus of Rs.1,43,94,740-3-1 in the amount remitted to the Treasury over the amount drawn as shown in the Balance Sheet. This is due to the very poor local harvest which required correspondingly less amounts to be drawn from the Treasury to finance local -- acquisition.

Purchases.

Foodgrains worth Rs.2,44,99,005-0-9 were purchased locally - - (Statement II) as against Rs.3,62,47,204-15-11 in the corresponding half-year,1945. For the entire year 1945-46 the local purchases -- amounted to Rs.3,26,09,921-12-7 as against Rs.4,88,86,644-6-5 for the year 1944-45. The purchases from outside the State, however, increased from Rs.1,14,31,075-9-2 in 1944-45 to Rs.3,56,43,486-8-2 in 1945-46, The purchases during the current half-year alone being Rupees ---- Rs.2,44,76,666-10-11. The figures reflect the hard-

Food Supply situation. The figures for outside purchase do not represent corresponding quantities as the prices paid for them were much higher than the local prices. The % balance under credit purchases payable on account of local acquisitions was only - - - Rs.16,23,142-15-9 (Statement III). Of this a sum of Rs.10,00,000/- in round figures was payable on account of supply of fuel, charcoal and sugar. The amount payable to the ryots for the supply of foodgrains was thus only about Rs.6 lakhs which is the lowest figure at the end of any previous half-year. Statements IV and IV (a) show the details of commodities purchased locally and from outside the - State respectively.

Sales.

The sales for the half-year were Rs.4,03,51,758-11-10 (Statement II) and/for the entire year 45-46 Rs.7,73,31,053-3-8 as against Rs.5,36,11,669-10-7 for the year 1944-45. The increased sales are due to the difficult food situation which became more pronounced towards the end of the half-year. The balance under credit sales to be realised by the Department at the end of the half-year was - Rs.41,66,319-7-11. This is a very large amount but it was almost entirely due from Administrations, Institutions or Departments like the Civil & Military Station, Bangalore, the Kolar Gold Mining Cos, the Mysore Iron Works Society, the Food Branches of the Railway and Electrical Departments, etc.

Closing Stock.

Statement V shows the details of the closing stock as on 30-6-46 worth Rs.2,40,22,295-1-5. The closing stock has been taken on the basis of stock verification reports received from the several Districts or Units. The closing stocks have been valued conservatively not exceeding the purchase price or selling price whichever is less, making suitable provision for a drainage of 1 to 2 % under paddy and possible deterioration % under other articles. In the case of milk products, however, our experience so far has been that there will be a large percentage of wastage due to deterioration. The closing stock has therefore been valued 25 % less though even this does not seem to be a sufficient provision. Arrangements for the disposal of milk products in bulk on a non-returnable basis have to be made very

very early if we are to avoid furthor loss on this account.

Unfamiliar Foodgrains.

The closing stock includes unfamiliar foodgrains like wheat, wheat products, groundnuts, horse-gram, debydrated potatoes, minor millets, etc. To this list Maize and Maize flour and Bajra are -- since added. On account of the probability of our next harvest -- being a very good one these are likely to remain unsalable especially in the rural parts. The possibility of a heavy loss on this -- account has to be kept in view, and arrangements have to be made -- to clear the stock in preference to or along with our next harvest acquisition.

G u n n i e s.

The closing stock under gunnies was over 32 lakhs. These were mostly ~~ones~~ once used gunnies being valued conservatively at - - - - Rs.10,14,499-15-0. In view of this heavy stock the purchase of - - 4,22,747 gunnies at a cost of Rs.3,52,154-6-7 could have been avoided by a better redistribution of stocks available in various districts. This point has to be kept in view and future purchases of empty - - - gunnies avoided especially as we are getting all imports either bagged at the despatching centre or at the ports.

Shortages.

Statement VI shows details of shortages under the several commodities to a total extent of Rs.2,91,405-2-4. This includes shortages both in transit and in storage. Though the shortage is high, when compared with the total sales of over Rs.4 crores, the percentage of shortage works out to only .73 . This is slightly higher than in the previous half-year when the shortage was .51 per cent. As usual the shortage has been the heaviest under Rice and Broken Rice working up to over Rs.1,52,000/- Consclidated shortage statements are still not being received regularly from a majority of the Units.

L o r r i e s.

There were 155 lorries under the control of the Department. The capital outlay on them was Rs.12,50,000/- 5 of these lorries are -- stated to have beemme completely useless. The Transport Officer has

has been sending Lorry Performance Statements every month for the immediate lorries under his/control at Bangalore. For the lorries working in the Districts the statements are not received. Statement VII shows details of sick and idle lorries and the cost of working the lorries at Bangalore. The cost per running mile works out to 0-13-7 which is very much higher than what we are paying to private transport contractors in Bangalore and even in the Districts. The repair charges and cost of replacing tyres and tubes have been rising. The percentage of sick and spare lorries is high. The average of mileage done by Government lorries is very low. It is clear that the working of lorries by Government Agency is not economical. Government have already ordered that the question of handing over these lorries to private contractors under an agreement to make them available for Food Supply Transport as and when required may be considered early. It is necessary to take very early action on this important matter so as to avoid further loss to Government.

Financial Results of Working.

The financial result of the working of the scheme during this half-year is a loss of Rs.25,86,985-13-0. This is covered entirely by the subsidy on imported grains, the details of which are shown in Statement VIII. Due to the record sales during the half-year the margins available in the prices of local grains due to improved rice iluvaries, lower transport cost, working of a larger number of Sales Depots by Government Agencies, etc., as pointed in detail in the previous report, also reached a record figure and the subsidy on imported grains working out to Rs.41,39,000/- has been reduced to a loss of only Rs.25,86,985-13-0. A rigorous watch on these transport charges, iluvaries of rice, shortages in transit and storage is being kept up to reduce the effect of heavy subsidy on imported - - - grains. This loss does not, however, include the depot charges amounting to Rs.10,85,894/- which are provided for in the Revenue Budget of the State and directly debited to it.

The total loss for the year 1945-46 is Rs.30,12,440-6-5. There is a provision of Rs.25,00,000/- in the Revenue Budget of 1945-46 to meet this loss. The entire amount of the loss may be written off as due to heavy imports in 1946-47 a fairly big amount has to be written

written off next year also.

Stocks issued to and received by other Units.

Both in the Profit & Loss Account and the Balance Sheet the value of such stocks represent considerable amounts and are very nearly balanced on the two sides. These involve much care in -- accounting as they represent valuable stock in transit. The difference between the two sides in the Profit & Loss Account is due to stock in transit, details for which are fully available. The excess of about Rs.8-1/2 lakhs under this heading in the liabilities side of the Balance Sheet is running for a number of half-years and is due to difference in valuation in earlier periods. As explained in the previous reports this is kept up as a reserve to meet possible short realisations under closing stocks and advances to parties. This half-year in particular we have not received finalised rates from the Government of India in some cases and there is a possibility of our having to pay enhanced prices over the rates intimated as provisional.

Advances to other Units:

Rs.3,11,31,079-1-4 :- This finds a corresponding entry on the other side of the Balance Sheet. The difference of Rs.69,000/- is being traced.

Advances: Rs.35,32,361-2-4 :- The major portion of this represents amounts advanced to foreign administrations as required by them pending despatch of balance of quota due from them.

Suspense: Rs.3,67,905-12-10 :- The major portion of this represents cost of lorries and spare parts paid in the first instance from the Director's Personal Deposit Account pending adjustment to Budget Head. The balance of the amount represents misclassification by the Treasury of amounts creditable to Food Supply Department to other heads. A sum of Rs.1,11,408-8-0 under suspense in the liabilities side is due to amounts received without full details as to their allocation. These are being adjusted.

Standard Cloth Account (payable to Director of Textiles: Rs.34,75,408-0-9)

This represents sale proceeds of Standard cloth credited in the first instance along with the sale proceeds of foodgrains to the

to the common account pending transfer to the Personal Deposit -- Account of the Director of Textiles as and when required by him to effect payments. As the Director of Textiles did not have heavy demands as in the case of foodgrains this amount has been kept on here.

There are no other items of magnitude in the Balance Sheet which call for detailed remarks.

Action taken on the previous Reports.

Government have called for further remarks from the Director on the two previous reports.

Accounts of District & other Unit Offices.

Due to the opening of a large number of Government Depots especially in Districts affected by scarcity the accounting in the Taluk Offices has received a set back and even Districts like - - - Chitaldrug which were sending accounts agreed as between Cash and Stock are finding it difficult to submit regularly even the unreconciled accounts. The reconciliation of Cash and Stock Accounts which is of primary importance in department dealing with large stocks is not being attended to either correctly or promptly in any of the Units. This has thrown an undue burden on the Audit Staff in compiling the half-yearly accounts of the Department by visiting each Taluk and calling for the registers of each depot therein. The Taluk and District Offices have not kept a satisfactory account of amounts payable and receivable by Government. There is need to post superior accounting staff to each District Office so as to provide for intensive instructions to Taluk staff wherever they are lagging and to keep a strict watch over the outstandings so that when the time comes for closing the operations of the Department we are not forced to keep up a special staff to clear them. Statement IX shows the months up to which the several Units have submitted the prescribed returns indicating also by how much the submission of the report is in arrears.

Central Office Accounts.

These are kept up-to-date and the Exchange Account, Account Current and the Verification Statements of the Personal Deposit

Account of the Director are being sent monthly to the Comptroller.

Central Audit.

The pre-audit work is up-to-date. The post audit of T.A.Bills as also bills payable from the P.D.Account of the Director are fairly current. The post audit of establishment and contingent bills is however in arrears on an average by nine months due to want of qualified staff. Special arrangements have been since made to clear these arrears in six months.

Local Audit.

Statement X shows the progress of Local Audit in the several Districts and other units. It will be seen that the Local Audit is still in arrears by an average of 9 months. This is due to the acute shortage of hands according to the Basic Scale and also there is a large increase in the number of Government Sales Depots. There are over 50 vacancies now in the Local Audit Staff. The position was brought to the notice of the Government and they ordered on 4-7-46 that as far as possible the hands may be taken according to the recruitment rules and where this is not possible to engage hands otherwise with the approval of Government. According to this Government order the Public Service Commissioner has called for applications and the arrears will be cleared as more hands become available. In the meanwhile preference is given to the Audit of the closed depots in all the places. It has also to be added in this connection that if the taluk and District Accounts had been made out regularly, the time of about 2 months taken by the Local Auditors in each half-year for compiling the accounts of the State could have been curtailed and their services utilised to clear some of the arrears in Local Audit.

Inspections.

The Accounts of all the 12 Units were locally inspected by the Gazetted Officers of the Department during the year and suitable instructions issued.

Objections.

The objections raised during the year in Central Audit are for recovery of amount totalling to Rs.15,925-9-0 and in Local Audit

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Local Audit Rs.14,74,065-8-7. Of these only Rs.72,390-2-9 in respect of the latter was recovered during the year. Statement No.XI shows by Districts the objections raised, cleared and pending and the number of Audit Reports issued, received with replies and pending. There is considerable delay in replying to ~~xx~~ Audit Notes and in recovering the amounts objected to. As recoveries become difficult with lapse of time the disposal of the Audit Notes require the urgent attention of all the administrative officers.

Defalcations.

Annexure 'A' gives brief details of cases relating to misapprpriations with manipulations of accounts, simple misapprpriations cases which ~~xxx~~ border on misapprpriation like excessive shortages in stock, excessive delay in remittances etc. The number of defalcation is large though in a way to be expected in a department like this where comparatively low paid staff dispersed over wide areas are in sole custody of valuable stock and cash. In most of these cases the amounts involved have been or are being recovered;but the large number of cases points to the need for special ~~xxxx~~ vigilance on the part of the supervising officers over the depots in their charge.

Standard cloth.

Statement XII shows accounts of the Standard cloth. The sales during the half-year were Rs.14,35,029-9-9 and a profit of Rs. - - Rs.38,161-13-0 was made. I have already referred to the sum of - - Rs.34,75,408-0-9 due from the Foodgrains Account to the Standard Cloth Account. There are no other noticeable features in these statements.

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Auditor & Accounting Officer,
Food Supplies Department.

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Balance Sheet as on 30-6-1946 (Fo grains).

Liabilities.			Assets.		
Comptroller		2,07,35,698-12- 4	easury less Drawings:		1,43,94,740- 3- 1
Credit Purchases: Foreign	1,92,08,519-10-5		Advances:		
Local	16,23,142-15-9		Part	4,39,953-11- 0	
		2,08,31,662-10- 2	Fore	30,92,407- 7- 4	
					35,32,361- 2- 4
Stocks received from other Units		7,79,30,291-13- 7	nits ...		3,11,31,079- 1- 4
Standard Cloth A/c (payable to Director of Textiles) --		34,75,408- 0- 9	Credit Sales ...		41,66,319- 7-11
Deposits -- --		5,28,736- 1- 9	Stocks issued to other Units		7,70,76,351- 9- 2
Transport charges payable --		20,99,346- 1- 7	Dead Stock (W hts, Measures, W hing machine etc.)		80,224- 0- 6
Hulling charges payable --		12,12,190- 3- 8	Suspense		3,67,905-12-10
Commission to Village Officers payable		2,36,916-13- 0	Refunds recove ble ---		10,302- 0- 0
Miscellaneous charges payable --		1,20,683- 4- 5	Closing Stock:		
Suspense -- --		1,11,408- 8- 0	Foodgrai	2,29,82,173- 9- 5	
Depreciation on Lorries & Gunnies etc.,		17,57,788-11- 0	Fuel & charcoal	25,621- 9- 0	
Advances from other Units --		3,12,00,856- 4-10	Gunnies	10,14,499-15- 0	
Commission payable to Comptroller		4,11,045- 9- 2			2,40,22,295- 1- 5
			Closing Cash:		
			On hand	51,92,165- 3-10	
			At Bank	58,65,419- 1- 8	
			In P.D.A	(-) 81,99,570- 4- 3	
					28,58,014- 1- 3
			LOSS:		
			Previous hal:	4,25,454- 9- 5	
			Current half	25,86,985-13- 0	
					30,12,440- 6- 5
Total		16,06,52,032-14- 3	Total		16,06,52,032-14- 3

ter & Accounting Officer,
Supplies Department.

Profit and Loss Account (Food Grains), for th half-year ending 30-6-1946.

Particulars		Amount.		Particulars.	Amount.
		Rs.	As.p.		
Opening Stock:				Sales	Rs. 4,03,51,758-11-10
Foodgrains	1,18,05,261-1-0			stocks	
Fuel & Charcoal	1,55,529-0-0			ued to other Units	3,51,39,684-11- 7
Gunnies	8,29,184-6-0			Miscellaneous Re pts ..	2,63,878- 8- 8
		1,27,89,974- 7- 0		Closing Stock	
Purchases:				od Grains)	2,29,82,173-9-5
Foreign ..	2,44,76,666-10-11			Fuel &	
Local ..	2,44,99,005- 0- 9			recal	25,621-9-0
				Gunnies	10,14,499-15-0
		4,89,75,671-11- 8			2,40,22,295- 1- 5
Purchases or Stocks received from other Units ..		3,49,31,267-15-10		Loss --	25,86,985-13- 0
Transport charges ..		35,91,250- 1- 8			
Hulling charges ..		13,14,628-13- 2			
Commission to Village Officers ..		2,01,261- 0- 5			
Miscellaneous charges ..		2,66,643- 6- 9			
Depreciation on Lorries, gunnies etc.,		2,93,905, 6- 0			
Total		10,23,64,602-14- 6		Total	10,23,64,602-14- 6

itor & Accounting Officer,
ood Supplies Department.

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Cash Account of Food Supply Operations for the half-year ended 30th June, 1946.

Receipts.			Payments.		
Opening Balance:			Cash Purchases ...		4,16,35,580- 2- 5
on hand ...	46,05,962- 8- 5		Remittance to Treasury ...		2,48,04,186- 7- 4
at Bank ...	46,74,629- 3- 9		Transport ...		29,34,484-15- 7
in P.D.Account	(-)38,63,767- 7- 5		Hulling ...		11,61,555- 4-11
		54,16,824- 4- 9	Commission to Village Officers -		1,10,634-00- 7
Sale Proceeds of Foodgrains		4,18,25,138-10- 7	Miscellaneous ...		2,36,730- 8- 9
Sale Proceeds of Standard Cloth Depots		15,18,448-15- 9	Deposits ...		95,148- 5- 5
Deposits		1,36,734-10- 8	Advances (Parties & Foreign) ...		1,03,71,610-15- 7
Amount received from other Units ..		80,46,243-14- 0	Dead Stock ...		7,495- 3- 3
Refund of Advances (Parties & Foreign)		89,01,810- 8- 6	Suspense ...		1,89,599- 8- 5
Miscellaneous		2,36,416- 7- 8	Standard cloth ...		90,004- 2- 0
Suspense		3,08,325-12- 9	Payment to other Units ...		81,82,166- 4- 6
Commission received		9,131- 8- 2	**Closing Balance**		
A.C.Bills drawn		2,62,78,135- 3- 2	on hand	51,92,165- 3-10	
			at Bank	58,65,419- 1- 8	
			in P.D Account:		
			(-)	81,99,570- 4- 3	
					28,58,014- 1- 3
		9,26,77,210- 0- 0			9,26,77,210- 0- 0

Auditor & Accounting Officer,
Food Supplies Department.

Statement showing acquisition of Foodgrains during the half-year ending 30th June, 1946.

Sl.No.	Commodities	Quantity.	Cost.
	LOCAL.	Pallas. Srs.	Rs. As. ps.
1.	Paddy I	4,34,931--62	59,46,834- 4- 3
2.	Paddy II	6,34,849--15	72,64,743- 2- 4
3.	Paddy III	77,823--10	8,01,086- 8- 6
4.	Rice	934--77	14,626-13- 9
5.	Ragi	1,82,884--68	25,67,251- 8- 3
6.	Jola	28,534--51	3,98,234- 6- 7
7.	Wheat	259--90	7,861-11-11
8.	Ground Nuts	34,398--81	3,64,218- 9- 1
9.	Horse Gram	7,377--05	2,63,303-15- 7
10.	Other Millets	1,269--65	17,806-12- 9
11.	Bengal Gram	2,281--69	82,668- 2-11
12.	Bengal Gram Dhall	154--00	5,852- 0- 0
13.	Green Gram(Moong)	979--99	35,182- 9- 0
14.	S u g a r Mds.	7,53,528-5 v ~~3,44,703--5 v~~	30,51,240- 6- 0
15.	Oil Cake Tons.	35--00	12,100- 0- 0
16.	Kerosene Oil(Tins)	16454--19 B.	74,040-10- 4
17.	Barley	370 Bags	8,282- 0- 9
18.	Gunny Bags	No.4,22,747	3,52,154- 6- 7
19.	Miscellaneous	--	35,748- 6- 7
20.	Fuel & Charcoal	--	3,92,832- 5- 0
	TOTAL -- (1) --		2,16,96,068-12-2
	Paddy & Rice from Coorg:		
	Coorg Paddy	1,29,250--80	16,96,315- 3- 7
	Coorg Rice	38,874--44	11,06,621- 1- 0
	TOTAL (2) --		28,02,936- 4- 7
	F o r e i g n :--	Total (1)+(2)	2,44,99,005-0-9
	(Vide Statement enclosed) Total (3)		2,44,76,666-10-11
	GRAND TOTAL OF (1),(2) & (3).		4,89,75,672-11- 8

Auditor & Accounting Officer,
Food Supplies Department.

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Statement showing purchases of foodgrains (from outside t... for the half year ended 30-6-1946.

Sl.No.	Commodities.	No.of Bags.	Quantity. Mds. Srs.	V...	...Total value.	Remarks.
1)	Wheat & Wheat products	2,63,984	5,54,492--30	56,25	-10- 6	
2)	R i c e --- ---	2,61,009	6,38,831--13	73,21	- 0- 7	
3)	Broken Rice --- ---	11,831	33,112--12	2,21	-15- 0	
4)	Millets -(Ragi, Javar, Kodu etc.,)	1,97,317	4,85,535--20	39,20	-14- 8	
5)	Pulses -(Toor, Moong, Toordhall & Moong Dhall) ---	51,330	1,40,754--13	22,21	-15- 3	
6)	S u g a r -- --	10,000	27,200--00	4,53	- 0- 0	
7)	Dehydrated potatoes & Milk Powder	--	37,377--00	22,21,	- 0- 0	
8)	Bengal Gram --- --	3,961	9,902--20	1,24,	- 3- 0	
9)	Dried Fish -- --	--	272--00	5,	- 0- 0	
		7,99,432	19,27,475--28	2,21,16,	-11- 0	2,21,16,051-11- 0
	Foreign Purchase of Foodgrains Supplied to Civil & Military Station:-					
1)	Wheat & Wheat products --	12,325	25,401--14	2,88,	- 0- 0	
2)	R i c e -- --	69,829	1,70,363--36	20,25,	-24- 5	
3)	Broken Rice -- --	2,870	7,892--20	45,	-11- 6	
		85,024	2,03,657--30	23,60,	-15-11	23,60,614-15-11
	Grand Total:--					Rs. 2,44,76,666-10-11

...r & Accounting Officer,
... Supplies Department.

Statement showing details of closing stock of Foodgrains as on 30-6-46.

No.	Commodity.	Quantity.	Cost.
1.	Paddy I	2,11,861--38	28,68,841- 1- 2
2.	-do- II	2,24,063--83	24,55,778- 7- 0
3.	-do-III	36,008--74	3,73,880- 1- 0
4.	R i c e I	1,52,424--49	44,52,323- 9- 0
5.	-do- II	1,24,521--83	31,75,812- 2- 9
6.	-do- III .	7,745--77	1,75,686- 4-10
7.	R a g i	1,53,060--60	21,56,515- 8- 0
8.	S a v e	121--63	1,502-11- 2
9.	J o l a	24,716--21	4,56,082-11- 4
10.	Navane	216--83	2,747-11- 9
11.	Haraka	4,833--86	67,218- 0- 9
12.	Sajje	81--18	1,058- 5- 3
13.	Sugar	3,99,640-- 5	20,43,768- 5- 1
14.	Wheat	63,990--92	15,12,433- 5- 5
15.	Ground Nuts	12,115--58	1,03,531- 2- 1
16.	Broken Rice	6,764--73	1,03,104- 5- 3
17.	Wheat flour	76,14,958 Lbs.	9,65,262-13- 7
18.	S o j i	9,03,265 Lbs.	1,67,860-15- 7
19.	Maida	3,60,365 Lbs.	67,203- 1- 8
20.	U r d	391--90	11,730- 0- 6
21.	U r d Dhall	366--34	28,494-10- 0
22.	Toor Dhall	2,861--29	1,21,213- 0- 0
23.	Moong Dhall	--40	20- 0- 0
24.	Bengal-gram Dhall	87--88	3,915- 3- 0
25.	Bengal-gram	531-- 9	19,020-12- 0
26.	Horse-gram	1,815--84	54,423- 6- 0
27.	Oil-Cake	30 Tons	10,350- 0- 0
28.	Sugar Candy	Mds. 317-- 6	1,769-13- 0
29.	M o o n g	2,204--19	78,744-11- 0
30.	Toor	422--30	16,857- 0- 0
31.	Jaggery	Mds. 14-- 02	43- 0- 0
32.	Dehydrated Potatoes	...	10,95,880-12- 3
33.	Mustard Seed	//--95	50- 0- 0
34.	Kerosene Oil	Tins 4,650--17B.	19,728-12- 0
35.	Wheat Bran	Bags 7499--87 Lbs.	76,530-15- 0
36.	M i l k etc.,	...	2,92,791- 0- 0
			2,29,82,173- 9- 5
37.	Fuel & Charcoal	...	25,621- 9- 0
			2,30,07,795- 2- 5
38.	Gunnies	No.32,25,070	10,14,499-15- 0
		Grand Total	Rs. 2,40,22,295- 1- 5

Auditor & Accounting Officer,
Food Supplies Department.

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Statement showing shortages in stock as on 30-6-46.

Sl.No.	Commodity.		Quantity. P. Srs.	Cost.
1.	Paddy I		676--32	9,834-14- 0
2.	Paddy II		1,785--57	22,158- 9- 3
3.	Paddy III		952--69	10,915- 4- 0
4.	Rice I		615--78	20,522-12- 0
5.	Rice II		3,339--15	93,321- 0- 3
6.	Rice III		505--22	13,265- 0- 0
7.	Ragi		1,175--00	19,350- 2- 1
8.	Jola		567--61	9,459- 9-10
9.	Sugar	Mds.	859-- 5	4,927-14- 6
10.	Wheat flour	Lbs.	62,901--	8,545- 6- 0
11.	Maida	"	15,033	3,015- 2- 0
12.	S o j i	"	15,853	3,270-11- 0
13.	Navane	Pallas	4--40	65- 7- 0
14.	Sajje	"	16--63	257- 1- 0
15.	S a v e	"	2--94	43- 9- 4
16.	Toor Dhall	"	143--59	8,103--11- 7
17.	Urd Dhall	"	5--23	325-14- 0
18.	Bengal Gram		15--17	660- 8- 0
19.	" " Dhall		00--13	5- 3- 0
20.	Broken Rice		1,285--93	25,423--15- 0
21.	Ground Nuts		148--05	2,037-- 5- 0
22.	Horse gram.		26--57	995-- 7- 0
23.	H a r a k a		63--38	791--12- 0
24.	U r d.		38--67	1,703-- 6- 0
25.	Wheat		676--94	16,773--10- 9
26.	Potatoes	Mds.	698--20	3,774--14- 0
27.	Dehdrated Potatoes		..	97-- 0- 0
28.	G u n n i e s	No.	31,288	9,924-- 0- 0
29.	B r a n	Lbs.	66,881	908-- 4- 0
30.	Kerosene Oil	Tins.	88--7 B.	490-- 4- 0
31.	Standard Cloth		--	437-- 9- 9
			Total	Rs. 2,91,405-- 2- 4.

Auditor & Accounting Officer,
Food Supplies Department.

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Statement showing the details of Lorry Performance for the half-year ended 30-6-46.

Average No. of Lorries worked every month	..	63
Average No. of sick Lorries every month	..	17
Total sick and spare Lorries every month	..	21
Average miles per working lorry per day	..	31

Cost per mile per lorry:-

Repairs and maintenance	88,156- 0- 0
Petrol and Transport	36,110- 0- 0
Depreciation ..	1,33,350- 0- 0
Lorry Establishment	43,590- 0- 0
	3,01,006- 0- 0

Cost per each working lorry $\frac{3,01,006}{63}$ .. Rs.4,778-0-0

No. of Miles run by each working lorry 181 x 31 = 5611

Cost of running 5611 miles = Rs. 4,778- 0- 0

Cost of running one mile = $\frac{4778}{5611}$ -- -- Re. 0-13- 7

NB:. This statement excludes the working of 40 lorries attached ~~[illegible]~~ to Districts as the relavent statistical information has not been received by the Transport Officer, from the concerned Deputy Commissioners.

Auditor & Accounting Officer,
Food Supplies Department.

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Statement showing Subsidy on Foodgrains from outside the State for the half-year ended 30-6-1946.

Sl.No.	Particulars.	Quantity purchased.	Purchase price.	Selling price	Subsidy.
		Mds. Srs.	Rs. fs. ch. per md.		
1.	Ragi & Javar -- Eastern States	77,582 -- 11	6-12-0 per Md.	16-10-8 per palla	2,00,700- 0- 0
2.	Javar -- Cochin	4,300 -- 00	8- 6-0 "	-do-	16,200- 0- 0
3.	Millets -- Hyderabad.	2,14,324 -- 19	7- 8-0 "	-do-	5,23,100- 0- 0
4.	Javar -- Baluchistan	1,51,412 -- 2220	8- 4- 0 "	-do-	7,49,800- 0- 0
5.	R i c e -- Burma	2,68,225 -- 00	11- 0-0 "	33- 5-4	5,03,000- 0- 0
6.	R i c e -- Bezawada	64,111 -- 00	7-15-0 to 9-5-0	-do-	74,900- 0- 0
7.	Dried Fish -- Calicut	270 -- 00	580- 0-0 for a ton.	280/- a ton.	3,400- 0- 0
8.	Javar -- Baroda	34,884 -- 00	8- 4-0	16-10-8 per palla	1,37,200- 0- 0
9.	R i c e -- Assam	1,37,359 -- 00	12-10-0	33- 5-4	6,26,200- 0- 0
10.	R i c e -- Central Provinces	1,65,237 -- 00	10- 2-0(Average)	-do-	1,28,800- 0- 0
11.	Broken-Rice --	25,477 -- 00	9- 4-6	25- 0-0	27,900- 0- 0
12.	Imported wheat flour --	4161 Tons.	13- 8-0	11-11-0 a Md.	4,79,400- 0- 0
13.	Imported wheat --	7223 tons.	9- 8-0	25- 0-0 per palla.	5,49,000- 0- 0
14.	R i c e -- Coorg --	1,12,669 Pallas	29- 2-0 a palla	28- 9-0 "	63,400- 0- 0
15.	Dehydrated Potatoes --	100 Tons	1- 2-0 a Lb.	0-14-0 a Lb.	56,000- 0- 0
					41,39,000- 0- 0
	LESS recovery of 0-8-0 per bag on pulses and other local small margins due to improved rice iluvaries, lower transport cost,etc.,	--	--	-- --	15,52,014- 0- 0
					25,86,986- 0- 0

Auditor & Accounting Officer,
Food Supplies Department.

Statement IX

Statement showing the receipt of periodical account returns up to 30-6-1946 from the several Unit Officers of the Food Supply Department.

Sl. No.	Name of Unit.	Transfer of Stock Returns		Stock Return	Cash Return	Stock Verification Report	Shortage Statement	Remarks.
		Receipts. CS.form 14.	Issues CS.form 14a	C.S.form 16	C.S.form 17			
1.	D.C. Bangalore	Oct.45	Oct.45	Oct.45	April,46	June,46	June,45	Cash & Stock Accounts have not been agreed.
2.	" Mandya	June,46	June,46	June,46	June,46	June,46	-do-	-do-
3.	" Mysore	June,46	June,46	June,46	June,46	June,46	-do-	Cash & Stock Accounts have been agreed.
4.	" Hassan	June,46	June,46	June,46	June,46	June,46	-do-	Cash & Stock Accounts have not been agreed.
5.	" Tumkur	June,46	May, 46	May, 46	May, 46	June,46	-do-	-do-
6.	" Kadur	June,46	June,46	June,46	June,46	June,46	-do-	-do-
7.	" Shimoga	June,46	June,46	June,46	June,46	June,46	-do-	-do-
8.	" Chitaldrug	Feb. 46	Feb. 46	Feb. 46	Feb. 46	June,46	-do-	-do-
9.	" K o l a r	Sept.45	Sept.45	Sept.45	Sept.45	June,46	-do-	-do-
10.	R.O. Bangalore	--	--	June,46	June,46	June,46	-do-	Cash & Stock accounts have been agreed for the Sales Depots only.
11.	R.O. M y s o r e.	--	--	Dec. 45	Dec. 45	June,46	-do-	Cash & Stock accounts have not been agreed.
12.	Assistant Director of Food Supplies (Depots)	--	--	--	--	June,46	April,45	.. ..

Auditor & Accounting Officer,
Food Supplies Department.

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Statement showing the Progress Report of Local Audit up to and during the month of June, 1946 in the several Districts and the Units of the Food Supply Department.

Name of the Districts & other Units	Total No.of Units to be audited.	Audit so far completed.		Audit completed during the month.		Audit in progress.		Audit not yet taken up.		Amount proposed for recovery
		No.of Units.	Period to end of	No.of Units.	Period to end of	No.of Units.	Period to end of	No.of Units	Period from	Short remittance. Short-Stock
Kolar Dt.	11 Tks and KGF.Area.	30-6-46	2 Tks (part) 4 " 2 " 1 " 1 Tk. 1 Tk. KGF (part)	30-6-46 31-5-46 30-4-46 31-3-46 28-2-46 31-5-46 31-5-46	2 Tks(part) 3 " 1 "	30-6-46 31-5-46 30-4-46	1 Tk (part) 5 1	30-6-46 31-5-46 30-4-46	5 Tks(part) 2 " 1 " 1 " 1 " 1 " KGF(part)	1-6-46 1-5-46 1-4-46 1-3-46 1-1-46 1-7-46 1-6-46	
Tumkur Dt.	10 Tks & 2 Units	30-6-46	2 Tks(part) 1 " 1 " 2 " 4 " D.C.s Office	30-6-46 31-5-46 30-4-46 31-3-46 30-6-45 30-6-46	3 Tks(part) 1 " 1 "	30-6-46 31-5-46 31-8-46	1 Tk	30-6-46	1 Tk(part) 1 " 2 " 1 " 4 " D.C.s Office	1-6-46 1-5-46 1-4-46 1-3-46 1-7-45 1-7-44	
Madur Dt.	7 Tks and D.C.s Office.	30-6-46	2 Tks(part) 3 " 1 " 1 "	31-5-46 30-4-46 31-3-46 28-2-46	1 Tk(part) 1 "	31-5-46 25-6-46 31-5-45	2 Tks(part)	31-3-46	2 Tks(part) 1 " 1 " 2 " 1 "	1-6-46 1-5-46 1-4-46 1-4-46 1-3-46	
Mandya Dt.	7 Tks and D.C.s Office	30-6-46	1 Tk(part) 1 " 4 " 1 "	1- 4-46 31-3-46 31-12-44 30-6-45	1 Tk(part) 2 Tks "	31-3-46 31-12-44	2 Tks(part)	31-12-44	1 Tk(part) 1 " 4 " 1 "	2-4-46 1-4-46 1-1-45 1-7-45	
Chitaldrug Dt.	10 Tks & 2 Units.	30-6-46	3 Tks(part) 1 " 2 " 2 Taluks 2 Tks(part) D.C.s Office	31-3-46 28-2-46 31-12-45 31-12-45 30-6-45 31-7-44.	1 Tk(part) 1 "	31-3-46 28-2-46 31-12-45	...	...	3 Tks(part) 1 " 4 " 2 " D.C.s Office	1-4-46 1-3-46 1-1-46 1-7-45 1-8-44	
Mysore Dt.	10 Tks and 3 Units.	30-6-46	5 Tks(part) 5 " 2 Tks	30-6-43 31-12-44 31-12-44	1 Tk(part) 2 " 1 Unit(To date of closing)	31-7-45 30-6-45	1 Tk(part)	31-12-44	3 Tks(part) 5 " 2 "	1-7-45 1-1-45 1-1-45	
G.C.D. Mysore.	25 Units	30-6-46	P a r t	31-12-44	--	--	P a r t	31-12-44	20 Units 5 "	1-1-45 1-1-45	
Rationing Office, Mysore.	62 Units 27 Units	To date of closing. 30-6-46	6 Depots 5 " 11 " 8 " 9 "	30-6-45 31-5-45 28-2-45 31-1-45 31-10-44	2 Depots	30-6-45	1 Circle Office 5 Depots	6-4-46 31-12-45	1 Depot 1 Depot 5 Depots 1 Depot	28-8-46 1-7-45 1-1-45 20-3-45	

			19 "	31-3-44							
Rationing Office, Bangalore.	58 Units	30-6-46	3 depots 1 Cont.Office 5 depots 4 depots 12 depots	30-4-46 30-4-46 31-3-46 31-12-45 30-6-45	3 Fuel Offices 1 Control office 7 Fuel & Food Offices 2 depots	30-6-46 30-4-46 31-5-46 30-4-46	-1-	--	3 depots 5 " 4 " 4 " 10 Control offices	1-5-46 1-6-46 1-1-46 1-7-46 1-6-45	
Reserve & Sub-Godowns Bangalore.	21 Units 48 Units	To date of Closing. 30-6-46.	2 Godowns 1 R.D. 8 Godowns 3 " 1 " 4 " 1 " 1 " 9 " 1 " 1 " 2 "	30-4-46 26-1-46 31-10-45 30-9-45 24-8-45 31-3-45 28-2-45 31-12-44 31-10-44 30-9-44 31-5-44 30-9-43	1 R.O. 1 S.G.	26-1-46 30-4-46	1 R.D. 2 S.G.	30-4-46 -do-	3 Godowns 4 " 12 " 9 " 4 "	1-5-46 1-6-45 1-1-45 1-1-45 1-8-45	
Bangalore Dt.	11 Tks & D.C.s Office.	30-6-46	1 Tk(part) 1 Taluk 2 tks 3 Tks 1 Tk 1 Tk 1 Tk 1 Tk.	31-12-45 31-12-45 31-10-44 30-6-44 30-4-44 30-9-44 31-3-45 31-8-44	1 Tk(part) 1 -do-	31-3-46 31-12-45	3 Tks(part) D.C.'s Office	31-3-46 31-12-45	3 Tks 1 Tk(part) 1 Tk 2 Tks 1 Tk 1 Tk 1 Tk 1 Tk	1-4-46 1-1-46 1-1-46 1-11-44 1-5-44 1-10-44 1-4-45 1-9-44	
[illegible]	[illegible]	[illegible]	2 Tks	-do-	[illegible]	31-12-45	8 Depots	31-12-45	3 Tks(part) 2 Tks 1 Tk 2 Tks 2 Units	1-1-46 1-1-46 1-1-46 1-7-45 1-7-45	
Shimoga Dt.	9 Taluks & 2 Units.	30-6-46.	2 Tks(part) 7 Tks 2 Units	31-12-45 31-12-44 31-12-44	2 Tks(part)	31-12-45	2 Units	31-12-45	2 Tks(part) 7 Taluks 2 Units	1-1-46 1-1-45 1-1-46.	

Auditor & Accounting Officer,
Food Supplies Department

J)4)

Cash Account of Standard Cloth for the half-year ending 30-6-46.

Receipts.		Payments.	
Opening Balance	77,697- 9- 1	Dyeing charges paid	59,091- 7- 0
Receipts from ~~Director of Civil Supplies~~ Deputy Commissioner	15,65,314- 3- 7	Controller of Supply Accounts --	12,45,002- 0- 5
Miscellaneous receipts	428- 6- 2	Miscellaneous charges	844- 7- 0
		Closing Balance	3,39,102- 4- 5
Total	Rs.16,43,440- 2-10	Total	Rs.16,43,440- 2-10

(II) Profit & Loss Account (Standard Cloth) for the half-year ending 30th June,1946.

Opening stock	5,26,840- 0- 9	Sales --	14,35,029- 9- 9
Receipts from Mills.	11,54,417- 0- 9	Miscellaneous Receipts	428- 6- 2
Dyeing charges	57,954- 6- 0	Closing stock	3,42,159-11- 7
Miscellaneous charges	244- 7- 0		
P r o f i t --	38,161-13- 0		
	17,77,617-11- 6		17,77,617-11- 6

(III) Balance Sheet of Standard Cloth as on 30th June, 1946.

Liabilities.		Assets.	
Comptroller	35,00,000- 0- 0	Amounts due from ~~Director of Civil Supplies~~ Deputy Commissioner	34,75,408- 0- 9
Dyeing charges payable	33,872-12- 0	Closing stock	3,42,159-11- 7
Controller of Supply Accounts	5,38,832-13- 9	Closing cash --	3,39,102- 4- 5
Profit --	83,964- 7- 0		
	41,56,670- 0- 9		41,56,670- 0- 9

Auditor & Accounting Officer,
Food Supplies Department.

BJ)

ANNEXURE "A"

Statement showing cases of defalcations and other irregulari

Misappropriation x with manipulation of accounts:-

KOLAR DISTRICT:

At the Vokkaleri Hobli Depot in Kolar Taluk, a sum of Rs.1966-9-0 was misappropriated by the Depot Clerk who having sold stocks between November, 1944 and August, 1945, continued to show higher stock balances (against actual lower balances) as though no sales were conducted by him. This was reported to the Deputy Commissioner of the District in Memo of 24-1-46 and the objection statements dated 25-3-46.

With the exception of Rs.75-8-10, the amount was recovered and remitted to the Treasury.

TUMKUR DISTRICT:

2) In the Sales Depot at Holavanahalli in Koratagere Taluk the Depot clerk had misappropriated amounts to the extent of Rs.1172-6-1, by keeping back a portion of the sales realisations almost each day. The returns submitted to the Taluk office were so made up as to agree with the amounts he actually handed over to the Patel daily for being remitted to the Treasury.

The entries in the stock ledgers were made on the basis of the returns submitted to the Taluk office and not on the basis of the sales book or on the total of the cash bills for the day. The defalacations could have been averted if only the Inspecting - - Officers had checked the cash with the Depot clerks at the time of inspection or checked the stock ledger with the actual stock on hand. The Taluk office also did not question at any time the variations between the book balances as per the depot returns and the actual balances reported by the Stock Verifying Officers. The total amount involved in the case, i.e., Rs.1172-6-1 was however recovered in full and credited to treasury on 17-8-46.

RATIONING OFFICE, BANGALORE:

3) In Fuel Depot No2 in II Division, fuel costing Rs.262/- at retail rates was eliminated from accounts as issued to the Reserv Depot in December, 1944. The acknowledged invoice was not produced nor was the receipt of the stock traceable in the - - accounts of the Reserve Depot. The amount has been asked to be made good.

4) In fuel depot No.1 in IX Division, 9-16-3 tons of jungle fuel was eliminated from the accounts and shown as sent to the Reserve Depot but it was not traceable in the accounts of the latter, and the acknowledgement of the Reserve Depot was also not produced. The cost of stock irregularly eliminated i.e., - - - Rs.238-9-0 has been asked to be recovered.

5) In the Bangalore City Rationing Office, a sum of Rs. - - Rs.3929-5-0 was misapprpriated by the cashier by charging off in the cash book a second time, salary already paid to officials on the same or previous days, the amount being made good subsequently by making payment to others who had not received their pay till then without charging such payments in the cash book. The officia has been placed under suspension pending orders.

MYSORE DISTRICT:

6) On 1-2-1946, 5 pallas of Ragi was purchased at the Nanjangud Central Depot and taken to purchase and stock registers. This quantity was shows as shortage on 19-2-1946 and added on to the old shortage of 53 pallas and 95 srs. The shortage of 5 pallas which occurred within a period of 19 days was objected to and the recovery of the value of Rs.83-5-4 is being effected at Rs.10/- per month from the official responsible.

RATIONING OFFICE, MYSORE:

7) In connection with the embezzlement of Rs.300/- noticed in the course of the preliminary audit of accounts of Sales Depot No.9, in Devaraja Mohalla as pointed out in the list of the previous year, the detailed audit of depot disclosed a further shortage of Rs.15-13-6 in cash and a heavy shortage in goods valued at Rs.577-14-7 exclusive of the cost of admissible shortage of Rice and other foodgrains at 2 and 1 per cent respectively which amount to Rs.271-1-5.

The shortage in cash and the inadmissible shortage in goods have been objected to for recovery from the two Managers who held charge of the Depot during period covered by audit out of their security deposits and other moneys due to them by Government. Regarding the recovery or otherwise of the cost of the inadmissible shortage of goods it is pointed out that the question of - - getting the recovery waived under competent sanction does not - - appear to be worthy of any consideration as a deliberate fraud has been committed by means of false fabrication of proof of payment.

8) During the audit of the Rationing Office, Mysore for the period from 1-1-1945 to 30-6-1946, it has been noticed that the Cashier who was dismissed from service since (on 4-4-46) for - - receiving illegal gratification from subordinates was found responsible for a loss of about Rs.580/- due to Government, by falsification of accounts and possible embezzlements and irrecoverable overpayments. A preliminary report has been sent to Government by the Department and a final report will be made after the audit is completed. A sum of Rs.380/- has however been recovered from the party towards such losses.

9) It was pointed out in the list of irregularities for the year ending 30-6-45 as to how the Manager of No.3 Sales Depot at Mandi Mohalla, Mysore was responsible for misappropriation of Government money to the extent of Rs.781-0-1 by falsification of accounts.

This same person was in charge of the Motikhana Depot from 15-10-44 to 15-11-44 and during this period he misapprpriated a total sum of Rs.124-15-6 of Government as under:--

A sum of Rs.91-14-9 being the sale proceeds of the depot was remitted to the Mysore Bank by the Manager as pertaining to Mandimohalla Depot No.15 with a challan superscribed as such on 9-11-1944. This amount was taken as reducing his liability of Rs.781-0-1 in respect of Mandimohalla Depot No.16 so that the sale realisations of Motikhana depot remained unaccounted for. This is the same kind of fraud as that which he committed in - - Devaraja Mohalla Depot No.10, when he hoodwinked the Food Inspecto into believing that the remittance of Rs.259-6-0 which actually belonged to Devaraja Mohalla Depot No.10, pertained Mandi Depot No.16.

Next, he has charged in the cash book a sum of Rs.123-0-9 as having been remitted to the Bank while the challan receipted by the Bank and the Bank's daily statement of account show only Rs.85/-. Thus, accounts have been falsified and Government money embezzled to the extent of Rs.38-0-9.

HASSAN DISTRICT:

10) A sum of Rs.1211-9-0 was paid by the Amildar, Alur Taluk towards the cost of 107-60 pallas of paddy stated to have been supplied by one Krishnappa of Ponnathapur village to Kundur Mills without actually verifying the stock entry in the Mill accounts. The Millowner contended that he did not receive this quantity of paddy at the mill. The payment of the cost of paddy which was not actually received amounts to misappropriation of Government money.

It is learnt that the amount has been asked to be made good by the Amildar who is however since reported to be dead. The - -

The Deputy Commissioner has been requested to recover the amounts immediately and bring to book all the concerned offenders in this case.

KADUR DISTRICT:

11) At the Annagere Depot in Kadur Tk heavy shortages were noticed during the local inspection by an Audit Officer. The shortages had occurred within a short period of 2 months and 9 days from 22-9-45 to 30-11-45. The Revenue Inspector in charge of the Depot tried to cover up the shortages by reducing the quantities on the receipt side of the stock ledger with the remarks -- " 5 - 6 seers shortages " "Shortages of 5 - 6 seers in each bag " etc., long after their purchases from the several ryots. It is not clear as to why grains bags were not got measured as and when purchases were made from ryots. It is also significant that no acknowledgements had been given to the ryots for the grains received from them, nor were the receipts intimated to the Taluk Office through the daily returns of the depot. Shortages do not occur in the case of foodgrains locally acquired and sold and that within so short a time and the other circumstances of the case make the transactions look highly suspicious.

The following are the details of the shortages mentioned above:--

		Total quantity dealt in	Shortage booked	Cost.
R a g i	--	338--15	8--15	135-13-4
J o l a	..	43--15	3--88	64-10-8

At the same depot and during the same period heavy shortages were noticed in respect of other commodities also. The value of these shortages amounted to Rs.421-7-2. In the case of sugar particularly the shortage was so high as 30 % .

The total value of shortages involved in the case of this depot amounts to Rs.621-15-2. The Deputy Commissioner of the District has been requested to recover the value of the abnormal and suspicious shortages.

BANGALORE DISTRICT:

12) At the Dobbapot Sales depot in Nelamangala Taluk, frauds to a total extent of Rs.689-6-6 were committed by having recourse to the following means:--

i) bringing forward closing balances with the third digits omitted;
ii) mistakes in subtracting issues
iii) items of stock being left out of account;
iv) an excess in the third digit being adopted for charging off issues in the stock ledgers;
v) lower quantities being taken to stock against higher quantities acknowledged;
vi) making short remittances to treasury;
vii) the total collections in the depot to end of May,46 were Rs.3473-10-2 against which only a sum of Rs.3250-3-3 was remitted to treasury and the balance of Rs.223-6-11 was kept back. Against this amount a sum of Rs.223-8-0 was remitted to treasury on 11-6-46 after the omission was pointed out in audit. This is a case of temporary misapprpriation of sale proceeds.

This amount is not included in the total sum pointed out above.

13) In Magadi Taluk, 21 cases of deliberate attempts to defraud Government by altering the figures at the treasury after making payments to parties was detected in audit. In the vouchers

vouchers sent to the Audit Office both the quantities of food-grains collected and amounts paid have been enhanced while the ledger accounts of the depot and the acknowledgements given by the depot clerk for stock received in form No.HS.3 showed lower quantities. The total amount defalcated is Rs.791/-. A sum of Rs.518/- has already been credited to Treasury after the irregularity was detected, as amounts of refunds by parties of excess sums paid to them. The balance of Rs.273/- is still due for recovery.

OFFICE OF THE ASSISTANT DIRECTOR OF
FOOD SUPPLIES (DEPOTS), BANGALORE.

14) During the course of audit of the accounts of Naranarayana Choultry Sub-Godown the following cases of misapprpriation were noticed:--

(a) In the office copy of delivery note book containing page numbers 9001 to 9050 for the period from 22-11-45 to 26-11-45 (when delivery notes were being written) was missing. The receipts relating to these items were therefore verified from the copies of the delivery notes submitted to the office of the Assistant Director of Food Supplies(Depots). During the process of verification it was noticed that the delivery note No. 9012 dated 22-11-45 for Rs.213-6-6 issued for cash sale was noted in the sales abstract as an issue on credit to a Government depot and the amount omitted to be entered in the Sales Abstract. The total of the day which did not include the above item was carried to the cash book and the amount misappropriated by the Cashier.

(b) Again, cash receipt No.113 dated 19-2-1946 for Rs.104-6-6 was deliverately omitted to be noted in the sales abstract and the total for the day which was short by this sum only was taken to the cash book and the amount misappropriated by the cashier. To avoid detection, the entry was subsequently inserted in the Sales Abstract, though the amount was not included in the total for the day and the entry was afterwards erased by means of a rubber. The erasure having attracted the attention of the inspecting officer led to an investigation which disclosed that the amount of Rs.104-6-6 was misappropriated.

The above sums were subsequently made good by the Cashier when they were detected.

The Inspector in charge of the depot did not exercise any sort of check over the cash collection and this encouraged the cashier who was left to himself to misappropriate the amounts.

15) During the course of audit of the accounts of Polepalli Subbiah's Choultry Reserve Godown the following cases of misappropriation were noticed:--

(a) Delivery Note No.62,818 dated 30-3-44 for the issue of one bag of soji of 186 lbs to Parameswariah, cash receipt No. 13844 dated 29-3-44 has been quoted. This receipt is among those cancelled and no amount was received thereon.

(b) In Delivery Notes Nos.62916 and 62941 dated 17-5-44 & 29-6-44 respectively for the issue of one bag of soji on each cash receipt numbers 14418 and 14424 have been quoted. These receipts could not be verified as the book was stated to have been lost. No amounts are found entered in the Day Book against these receipts nor have the amounts been remitted.

The above issues are considered to have beem made on receipts forged by a menial of the office, whose action was detected in an another case. A case was lodged against him which ended in his being criminally convicted.

criminally convicted. The cost of stock issued in the above cases, which comes to Rs.140-10-0, has to be recovered.

Due to lack of care on the part of the office in keeping the receipt books in safe custody, there was scope for the culprit to abuse the receipts.

16) In the daily statements of receipts and issues of stock in the Co-operative Society Buildings Sub-godown for 14-7-45 the Special Revenue Inspector in charge entered by mistake 86 bags of K.C.Rice as issued instead of the correct number of bags i.e., 76. Thus, the balance as per statement was reduced by 10 bags. Following this error, the balance as per daily statements of 26-7-45 was shown as 408 bags and one kore, instead of the correct number i.e., 419 as per stock ledger. The Inspector handed over charge of that depot on 26-7-45 and the incorrect number (shown in the daily statements) of 408 bags and 1 kore only was handed over. Thus 10 bags were not accounted for. It was seen from the ledger that numerous corrections and alterations of the original entries had been made making additions to the quantities noted as shortages to make up these 10 bags. These corrections cannot be accepted and the cost of Rs.268 has to be recovered.

II Misappropriations.

Kolar District:

17) At the Tyakal Depot in Malur Taluk a sum of Rs. 1650-6-0 was misappropriated by the Depot Clerk between the period from Jan - May 45, by getting payments made for stocks not actually acquired and brought in Government accounts. This was reported to the Deputy Commissioner of the District.

A sum of Rs. 1525-11-0 was recovered from the official and remitted to the Treasury. A balance of Rs. 124-11-0 is still due to be recovered in this case.

18) In the Mulabagal Taluk, misappropriations similar to that occuring in Malur Taluk, were detected during the period March 1944, - June 1945. The total amounts involved in these cases was Rs. 2877-4-9 vide details given below:

Duggasandrahobili	Rs. 360-15-0
Avani.	208-15-9
Thayalur.	198-11-0
Reserve Depot.	2,108-11-0
Total Rs.	2,877- 4-9

These case have been reported to the Deputy Commissioner of the district indetail and action is being taken for the recovery of these sums.

Rationing Officer, Bangalore:

19) In the Hebbal Grains Depot, the account books were not well kept. Nearly all the books were in manuscript and none of them were authenticated by the signature of the Manager of the Depot or other officials. The audited accounts were therefore prepared with the help of the supply register in the Food Office showing the grains supplied to the Depot. A net inadmissible shortage of the balance of Rs. 556-2-0 after allowing for 2 seers per palla for rice and one seer per palla for other commodities was revealed in audit. The manuscript book showed a closing stock worth Rs. 211-4-0 at retail rates, and no information was made avialble as to what happened to this stock. This was therefore not taken as closing stock and the value thereof is included in the total shortages of Rs. 556-2-0 referred to above which the Department has been asked to recover from persons responsible.

20) In the office of the Asst. Rationing Officer, North Circle, the clerk in charge of the work of collecting commission for coupons issued to retail dealers etc., collected a sum of Rs. 2521-12-0, but remitted to Treasury only Rs. - Rs. 2480/- withholding the balance of Rs. 41-12-0 on one coupon of 16-9-45, he collected Rupees 13-12-0 as against Rs. 24-12-0 actually due. The Department has already collec Rs. 38-8-0 out of a total of Rs. 52-12-0 due from the Clerk and the balance has been asked to be recovered early.

In respect of Rs. 22-0-0 collected on another coupon dated 3rd September 1945 and included in the above a sum of Rs. 52-12-0 it was noticed that the clerk had removed the office copy of the coupon also from the book. He is reported to have surrendered it later. He has been placed under suspension pending further enquiry. This irregularity could have been prevented if the Head of the office who is responsible to see that all the moneys collected dailyin his office are duly checked with the relevant records, brough to account and also remitted to the Bank the same day or the next day, has duly discharged his duty.

21) In Depot No. 13 in I Division, ten bags of fine rice and two bags of maida supplied to the Depot on 16th and 27th Jan 45, were not taken to account. On investigation, it was found out that the articles had been kept in a private place instead of being brought to the Depot from the Sub-godown. The attender of the Depot, concerned, was prosecuted and convicted, and much of the stock was also recovered. The cost of balance not as yet recovered amounting to Rs. 43-12-0 has been asked to be recovered.

22) Rationing Office, Mysore:

Abnormal shortages of cash and stock to the extent of Rs. 659-13-10 and Rs. 972-1-0have been noticed during the course of the audit of the accounts of Laskkar No. 2 Depot and Chamaraja No. 4 Depot. The matter requires to be further investigated with a view to early recovery of these huge amounts.

23) In the Standard Clth sales Depot at French Rocks, the following shortages were noticed when the Asst. Textile - Inspector checked the stock on 5-4-46:

Variety.	Book Value.	Actual Stock on hand.	Shortage	Value.
20/9 Dhoties.	748½ Prs.	560½ Prs.	188 Prs.	750-0-
20/15 "	453 "	432 "	21 "	66-1-
40/9 "	64 "	63 "	1 "	3-13
40/5 Shirting	190 Yds.	152 Yds.	38 Yds.	15-0-
14/7 Drill.	1558 "	1506 "	52 "	25-3-
		Total Rs.	..	860-2-

Subsequent to his checking the stocks, 60 cash bills were written up in the evening to cover up this shortage. The cost of the entire shortage (Rs. 860-2-8) together with the value of the actual sales made on 5-4-1946 aggregating Rs.- Rs. 1085-9-4 was remitted to the Treasury on 6-4-46.

During the course of audit the following further shortages were noticed:

20/15 Dhothies.	One Pair	Value Rs.	3-2-4
14/6 Shirting.	One Yard.	"	0-5-7
20/9 Dhothies.	15 Pairs.	"	60-12-6

The Deputy Commissioner has been asked to recover the amount also.

24) In the Settahalli Sales Depot, in Seringapatam Taluk, the Special Revenue Inspector, who checked the stock balances found no stokks on hand though the accounts showed the following balances:

	Ps.	Srs.
Rice I Sort.	9	68
Rice II Sort.	4	15½
Wheat.	1	44
Bengal Gram.	0	27⅜/8
Sugar.		1 Maund.
Atta. ..		64 lbs.
Potato Chips.		50 lbs.

The Amildar of the Taluk has handed over the Depot Clerk to the Police and is taking action to recover the value of the shortages viz., nearly Rs- 550/- from him.

HASSAN DISTRICT:

25) In Alur Taluk, a consignment of 31·50 pallas Ragi transferred from Kundur Purchase Depot to the Reserve Depot at Alur, was not taken into stock account at the later Depot, though the quantity had been acknowledged by the Depot Clerk, in the Invoice returned to the consignor. The value ~~of~~ thereof viz., Rs. 535/- was collected from the Depot Clerk after it was pointed out in audit. As the Ragi had already been disposed of and there was not stock on hand and the sale proceeds were also not brought to account this is a clear case of misappropriation. Want of further scrutiny of initial accounts was the cause of this fraud. The Deputy Commissioner has been requested to take suitable disciplinary action in the matter.

BANGALORE DISTRICT:

26) The cash at Ramachandra Pur Depot in Bangalore North Taluk was checked on 28-5-1946, by an audit officer and temporary misappropriation of the sale proceeds amounting to Rs. 112/- was noticed. This has been reported to the Deputy Commissioner of the District for immediate recovery.

27) The accounts relating to Kodihalli Sales Depot showed that a portion ofthe sale proceeds of 15-1-46 amounting to Rs. 10/- had not been remitted to Treasury and that the sale proceeds from 15-1-46 to 23-1-46 amounting to Rs. 99-10-8 which were handed over to the Patel of the Village were not remitted to the Treasury by the later. These amounts were subsequently got remitted on 30-7-46.

At the same Depot, loss or short receipt of one bag of ragi on 11-4-46 and another bag on 4-6-46 was ~~xxx~~ detected the person responsible for the same being the carting - contractor. The cost of Rs. 26-10-8 has been asked to be recovered from him.

28) At the Harohalli Sales Depot, the sales realisations upto 21-4-1946 (during April 46) amounting to Rs.1793-0-4 accepted by the Patel on the 2nd, 7th, 9th, 14th ~~and~~ 21st April 1946, have not been credited to treasury so far. It is however, ascertained that this amount was stolen by a third party, during transit and the case is pending decision in a court of Law.

29) In Channapatna Taluk, Standard cloth Bale No. 2208 of STD. 20/9 (8/2) received under delivery note No. 7902 dated 7-2-46 from the Asst. Director of ~~xxx~~ Food Supplies and despatched to Channapatna Taluk under invoice No. 9644 dated 7-2-46 of the District Reserve Depot Bangalore containing Dhoties has been receipted in the Standard Cloth stock Ledger of the Channapatna Taluk Depot as 138 pairs. This is a variety received from Sitaram Mills, Trichur and contains 188 pairs in each bale. Bale Nos. 1955, 1959, 1934, 1940, 1939, 1958, 2174 2173. 2175, 2172, 2171, 2206, 2197, 2195, 2202, 2203, and 2198 issued to other Taluks in the District during October 1945, Dec 45 and Jan & Feb 46 have been receipted as 188 pairs. On referring to the District Reserve Depot Invoice it is seen that by a clerical error 138 pairs are put in the invoice instead of 188. As the District Reserve Depot does not actually handle the bale, but merely enters the transactions in its ledger and as the figures 3 and 8 are easily mistaken and much more easily alterable it is evident that the standard cloth Depot Clerk of Chennapatna has exploited the situation, viz., the clerical mistake referred to above. As the bale wrapper has either been mislaid or not preserved in the Depot and there was no immediate

no immediate reference of any tampering with the steel straps on the bale it follows that the bale was intact at the time of delivery and 50 pairs of Dhothies have been suppressed and not accounted for.

30) A sum of Rs. 152-14-0 being sale proceeds of Ragi sold to Bannikuppa Society on 5-6-46 remained un-remitted though there were subsequent remittances. This fact was brought by the local Auditor to the notice of the Amildar on 11-7-46. The Amildar has since reported that the amount has been got credited to Treasury on 12-7-46.

~~Magadi Taluk:~~

21 cases of deliberate attempts to defraud Government by altering the Figures at the Treasury after making payments to the parties were detected in audit. In the vouchers sent to the Audit both the quantities of food grains collected and the amount paid have been enhanced while the ledgeraccount of the Depot and some acknowledged by the Depot Clerk an the H.S. 3 Form showed only lesser quantities. Total amount defalcated in Rs. 791-0-0. A sum of Rs. 518/- has already been credited as excess amounts refunded by parties after irregularities was detected. The balance of Rs. 273/- has yet to be credited.

III IRREGULAR AND DOUBLE PAYMENT ETC.

TUMKUR DISTRICT:

31) An advance of Rs. 200/- was paid to Special Revenue Inspector of a Taluk for payment of cart hire on the ground that carts could be had only on payment of the hire in advance. In spite of this advance, the Taluk Office also made payments on account of cart hire, so that in certain consignments, the Taluk Office first paid the cart hire and and advance holder also made payments later which resulted in double payment. This irregularity could have been avoided if the Taluk Office had not made the payment when a special advance for that specific purpose had been granted or had withdrawn the advance or at least obtained a certificate from the advance holder that no payment had been or would be made by him on the consignment.

This irregularity was brought to the notice of the Sub-Divisional Officer. Necessary action was taken to recover the amount paid in excess and the Revenue Inspector was reverted on consequence of the disciplinary measures taken against him.

RATIONING OFFICE, BANGALORE:

32) In the audit of the accounts at the Way Bridge, short collections amounting to Rs. 593-12-9 during the half year ending June 1945 were noticed. The details relating there to are set out below:

(a) Short Collections due to wrong calculations	Rs. 139-8-9
(b) Value of the Differences in quality as between the supply Register and the Delivery Note.	25-11-0
(c) Short recovery of transport charges.	428-9-0

The Department has been asked to recover the total amount due on account of these heavy under-recoveries.

In Depot No. 1 in IV Division four bags of Sugar were stated to be missing on account of theft on 25-10-45. The value of the sugar viz., Rs. 250/- has been asked to be recovered.

RATIONING OFFICE, MYSORE:

33) Heavy shortages in cash aggregating to Rs. 1969-9-3 were noticed in the course of audit of Mandy, Devaraj & Chamaraj emergency Depots. These were due to the sale of commodities either at rates lower than the authorised rates or at concessional rates on coupons issued by the Rationing Officer to the general public, When such rates are ~~xxxxxx~~ allowable to only recognized distributing agencies viz., Licensed Merchants, Co-operative Societies etc. The whole amount has been objected to for recovery from the Depot - Managers responsible for such irregular sales.

IV. Excessive Shortages in Stock:

KOLAR DISTRICT:

34) A sum of Rs.670-12-6 being the value of foodgrains found short at the Holur hobli depot in Kolar Taluk, at the time of its abolition, has been objected to for recovery.

The stocks sent by this depot to the Taluk Reserve Depot were not taken to the accounts of the latter immediately as required by rules. The above shortages out of stocks returned were intimated after over a month and this leads to a doubt as to where the shortage actually occured.

No action appears to have been taken so far for the recovery of this heavy sum.

RATIONING OFFICE, BANGALORE:

35) It was noticed during the course of audit of accounts of Fuel Sales Depots that shortages far exceeded the percentages admissible viz., 8 % for Casurina and 10 % for Jungle Fuel allowed by Government as shortage on account of driage. The shortages in a few cases were more than 15 % and in two cases the shortages were as high as 45 % and 61 %. The Department has been asked to recover the value of these shortages.

36) (a) In Reserve Depot in No.1 Division stock worth Rs.2289-1 was found out in audit as having been supplied during the half-year ending June,45 from the Way Bridge and not taken to account in the depot. The department has been asked to investigate as to how this could have happened and to recover the amount involved from the persons responsible.

(b) A short recovery of Rs.183-11-3 was also noticed in the case of this depot. The department has been asked to recover this amount from the persons concerned.

37) In Fuel Depot No.2 in III Division, the audit of which was urgently taken up at the special request of the Rationing Officer who observed heavy shortages there, a total gross shortage of the value of Rs.5149-1-0 relating to the Calender year 1945, was noticed. The shortage for the period noticed from January to June,45 worked out only to 11 %. For the subsequent half-year, however, the shortages worked out to 31.5 per cent for 'Dindiga' and 45 % for Jungle Fuel. In view of this very heavy disparity in shortages between the two half years at the same place, the Department has been asked to recover the amounts decided upon as the value of the net shortages.

MYSORE DISTRICT:

38) A stock of 20 pallas and 24 seers of Jola of the value of about Rs.340/- is shown as stocked in various pits in Gundlupet Taluk. This is remaining un-issued for over a year and the monthly stock verification reports have also not been received. It is, however, seen that instead of making use of this Jola stored in the pits long back, fresh jola is being issued even in the month of July,46 from the Reserve Depot to the Local Depot. Evidently there is no stock in the pits. For if the stocks were available they should have been utilised in the usual course in the first instance. The Amildar has been asked to recover the cost of grains from the persons responsible, as the entry in the books regarding its existence appears to be fictitious.

RATIONING OFFICE, MYSORE:

39) Excessive consumption of petrol and oil for Government Lorries.

A total quantity of 1434 gallons of petrol, 14-1/2 gallons of Double Shell Oil, 2-1/2 gallons of oil and 3 lbs of grease ha

had been purchased to end of December,44 and paid for, the total cost amounting to Rs.3205-6-6. There are two lorries in service For one of these, a log book has been maintained from 4-5-44 and onwards. It was stated that the vehicle in service prior to that date was since transferred to Bangalore with its relative log book It was,however, seen from the available records, that for a total distance of 3021 miles run, 518 gallons of petrol were consumed resulting in an average of mileage of 5.83 miles per gallon. For the other lorry, the log book is maintained for the period from 1-2-44 to 20-6-44 and 3-8-44 to 31-12-44 and onwards. In this case for a total distance of 4468 miles run, 692 gallons of petrol were consumed resulting in an average mileage of 6.65 miles per gallon. No separate stock account were maintained for petrol since it was being purchased as and when required and getting the quantity directly issued to the lorries, nothing being held in reserve stock. The account regarding consumption etc., during the period from 1-12-43 to 1-12-44 is not susceptible of verification since no log book pertaining to that period was made available for audit. The presumably low mileage and the absence of relevant records have been asked to be explained and in future mileages have been asked to be checked and certified by Rationing Officer.

40) The audit of accounts of closed depots, DevarajaMohalla No.10 and Mandi Mohalla No.4, reveal heavy shortages in goods worth Rs.226-8-7 and Rs.255-15-0 respectively. These shortages are those in excess of the admissible limits viz., 2 % for Rice and 1 % for other foodgrains. The amounts have been objected to for recovery from the Depot Managers who were in-charge from time to time. In this case one of the depot managers is responsible for a series of frauds committed in other depots.

41) The gunny bags account of the Laskar Depot for the period from 1-1-45 to 14-2-46 was specially taken up for audit as it was reported that there was an abnormal shortage during this period. It was seen that there was a heavy shortage of 8159 bags and the cost of these at 6 as per bag which amounts to Rs.3059-10-0 has been objected to for recovery from the Manager in-charge of the depot.

MANDYA DISTRICT:

42) When the stock of C.S.Rice in Hanakere Rice Mills, Mandya Taluk, was checked by the Audit Officer, Mysore Circle, on 31-3-46 the actual balance on hand was nil as against the book balance of 21--66 pallas and when the stock of broken rice was also checked there was only one bag against the stock book balance of 9--92 pallas.

The Deputy Commissioner of the District has been requested to recover the value of these shortages viz., Rs.887/-

43) During the course of stock verification by the same - - - Officer in Hosaholalu Rice Mills also, which was conducted on 25-4-46, against the book balance of 46-72 pallas of Broken Rice which was certified to as correct by the special Sheristedar who had checked stock in the Mills on 1-4-46, a quantity of only 10-12 pallas of uncleaned broken rice was found. The facts of the case have been reported to the Deputy Commissioner of the District for recovery of the value of the difference of over 36 pallas of - - broken rice.

KADUR DISTRICT:

44) At one of the depots in Narasimharajapura Sub-Taluk heavy shortages were noticed under the stocks of all varieties of paddy. The details are given below:--

	Quantity P. S.	Cost. Rs.	Total Qty.dealt with. P. S.
Paddy I	9--53	126- 4- 4	594--99
Paddy II	24--80	279- 0- 0	810--05
Paddy III	8--91	91- 5- 3	8--91

The shortages represent what is only a misappropriation of stock. The aggregate loss to Government in this case is 496-9-7. A special audit report has been sent up to the - - - administrative authorities for taking necessary action in the matter.

45) The audit of Aldur Depot in Chickmagalur Taluk has disclosed the following irregularities:--

1) During a very short period of 1 month and 10 days from 21-5-45 to 30-6-45 there was a shortage of 27--37½ pallas of Ragi for a total quantity of 284 pallas handled. This shortage is abnormal and works out nearly 10 ~~ex~~ per cent which is unusually high.

2) A quantity of 4--20 pallas of III variety of paddy valued at Rs.50-6-0 was paid for but was omitted to be taken to the ~~ex~~ stock account.

3) Sales realisations amounting to Rs.387-7-4 relating to the period from 15th to 22nd September, 45 were omitted to be taken to account resulting in mis-appropriation of Government money.

4) The following quantities of Rice of a total value of Rs.3399-11-9 which were received from the Rice Mills were omitted to be accounted for thus resulting in shortages in stock due to mis-appropriation:--

			P. S.	Rs.
29-5-45 to 9-6-45	Rice	I	52--00	1600- 0- 0
	"	II	52--80	1401- 0- 0
Oct.44 to Dec.44	"	I	0--29	
	"	II	3--39	98-11- 9
May,45 to June,45	"	I	1--60	
	"	II	6--40	
	"	III	3--20	300- 0- 0
		Total		3,399-11-9

5) The following quantities of paddy purchased between the period from 21-2-45 to 21-5-45 have been omitted from the stock ledger:--

Pallas:17--54	Paddy	I	252-12-10
" 3--60	"	II	34- 6- 0
" 8--84	"	III	90- 9- 0
	Total		377-11-10

6) The following quantities of paddy have been shown as issued to Rice Mills for hulling without any acknowledgements of the Millowners or entries in the hulling registers of the Mills.

			P. S.	
24-10-44 to 6-12-44	Paddy	I	10--70	Rs.109-10-10
	"	II	30--69	276- 5- 0
	"	III	32--31	259- 4- 0
		Total		Rs.645- 3-10

BANGALORE DISTRICT:

46) At the Devarajeevanahalli in Bangalore North Taluk, 60 bags of wheat received, were taken to account as ~~4356~~ 4356-3/4 seers ~~giving~~ giving an average of about 72 seers per bag (only 5 bags were stated to have been tested).

~~47~~ On the basis of weight, each bag should contain on an average 96-32/35 seers or 97 seers, the quantity taken to account should have been 5820 seers. This has been proved correct by a reference to the Depot at Hebbal where also 60 bags had been - - transported out of this consignment on the same day and this depot

Depot (Hebbal Depot) has accounted for the wheat at 97 seers per bag. The difference between the accounted and accountable quantities comes to 1464 seers. The amount recoverable at 3 seers per rupee is Rs.488/-

As this is a clear case of short accountal of a large quantity of grains the amount has been asked to be recovered. The loss of such a large quantity of grain at a time of scarcity requires serious notice.

Auditor & Accounting Officer,
Food Supplies Department.

BJ)

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C. [redacted] No. 46] **GOVERNMENT OF MYSORE**

No. 19334 OFFICE OF Auditor and Accounting Officer
Encls. Food Supplies Department. Bangalore

Date 2nd October, 1946.

To

The Comptroller to the Government
of Mysore, Bangalore.

Sir

Re: Accounts of the Food Supply Department.

I have the honour to forward herewith the report on the accounts and audit of the Food Supply Department for the half-year ending 30-6-1946. Wherever required the figures for the full year 1945-46, and details of progress in Central and Local Audit and Accounts are given and an Annexure containing details of the more important defalcations is also added, as this is to be treated as the second and final - - report for the year 1945-46, the report sent for the half-year ending December, 1945 being the first one.

I have the honour to be
Sir,
Your most obedient servant,

Auditor & Accounting Officer,
Food Supplies Department.

Report on the accounts and audit of the Food Supply Department for the half-year ending June,1946.

I attach hereto the consolidated Cash Account (Statement I) The Profit & Loss Account (Statement II) for the half-year ending June, 1946 and the Balance Sheet (Statement III) of the Food Supply Operations as at end of 30-6-1946. The cash transactions have been agreed with the Treasury figures. The stock accounts have been - - agreed with the cash account and the transfers of stock from District to District also tallied. The figures as regards outstanding liabilities like transport charges payable have been taken on the best -- information available, after testing them with the quantities of - - stock acquired or handled, pending receipt of bills for railway credit notes issued etc.,

The Cash Position.

The minus closing balance under the item Personal Deposit Account in the Cash Account is due to the heavy overdraft in the Shimoga District not having been yet adjusted. The Deputy Commissioner, Shimoga District has been requested to adjust this early. The receipts by -- sale proceeds reached record figure of over 4 crores for the half-year and was fully sufficient to meet all the disbursements. The additional allotment of Rs.~~1,00,000~~ One crore sanctioned by Government was -- not utilised as the expected heavy imports from overseas did not - - materialised. Taking the cash operations for the entire year 1945-46 there was a surplus of Rs.1,43,94,740-3-1 in the amount remitted to the Treasury over the amount drawn as shown in the Balance Sheet. This is due to the very poor local harvest which required correspondingly less amounts to be drawn from the Treasury to finance local -- acquisition.

Purchases.

Foodgrains worth Rs.2,44,99,005-0-9 were purchased locally - - (Statement II) as against Rs.3,62,47,204-15-11 in the corresponding half-year,1945. For the entire year 1945-46 the local purchases -- amounted to Rs.3,26,09,921-12-7 as against Rs.4,88,86,644-6-5 for the year 1944-45. The purchases from outside the State, however, increased from Rs.1,14,31,075-9-2 in 1944-45 to Rs.3,56,43,486-8-2 in 1945-46, The purchases during the current half-year alone being Rupees - - - Rs.2,44,76,666-10-11. These figures reflect the hardening of the Food

Food Supply situation. The figures for outside purchase do not represent corresponding quantities as the prices paid for them were much higher than the local prices. The balance under credit purchases payable on account of local acquisitions was only - - - Rs.16,23,142-15-9 (Statement III). Of this a sum of Rs.10,00,000/- in round figures was payable on account of supply of fuel, charcoal and sugar. The amount payable to the ryots for the supply of foodgrains was thus only about Rs.6 lakhs which is the lowest figure at the end of any previous half-year. Statements IV and IV (a) show the details of commodities purchased locally and from outside the - State respectively.

S a l e s.

The sales for the half-year were Rs.4,03,51,758-11-10 (Statement II) and/for the entire year 45-46 Rs.7,73,31,053-3-8 as against Rs.5,36,11,669-10-7 for the year 1944-45. The increased sales are due to the difficult food situation which became more pronounced towards the end of the half-year. The balance under credit sales to be realised by the Department at the end of the half-year was - Rs.41,66,319-7-11. This is a very large amount but it was almost entirely due from Administrations, Institutions or Departments like the Civil & Military Station, Bangalore, the Kolar Gold Mining Cos, the Mysore Iron Works Society, the Food Branches of the Railway and Electrical Departments, etc.

Closing Stock.

Statement V shows the details of the closing stock as on 30-6-46 worth Rs.2,40,22,295-1-5. The closing stock has been taken on the basis of stock verification reports received from the several Districts or Units. The closing stocks have been valued conservatively not exceeding the purchase price or selling price whichever is less, making suitable provision for a drainage of 1 to 2 % under paddy and possible deterioration under other articles. In the case of milk products, however, our experience so far has been that there will be a large percentage of wastage due to deterioration. The closing stock has therefore been valued 25 % less though even this does not seem to be a sufficient provision. Arrangements for the disposal of milk products in bulk on a non-returnable basis have to be made very

very early if we are to avoid further loss on this account.

Unfamiliar Foodgrains.

The closing stock includes unfamiliar foodgrains like wheat, wheat products, groundnuts, horse-gram, dehydrated potatoes, minor millets, etc. To this list Maize and Maize flour and Bajra are -- since added. On account of the probability of our next harvest -- being a very good one these are likely to remain unsalable especially in the rural parts. The possibility of a heavy loss on this -- account has to be kept in view, and arrangements have to be made -- to clear the stock in preference to or along with our next harvest acquisition.

G u n n i e s.

The closing stock under gunnies was over 32 lakhs. These were mostly ~~ones~~ new used gunnies being valued conservatively at - - - - Rs.10,14,499-15-0. In view of this heavy stock the purchase of - - 4,22,747 gunnies at a cost of Rs.3,52,154-6-7 could have been avoided by a better redistribution of stocks available in various districts. This point has to be kept in view and future purchases of empty - - - gunnies avoided especially as we are getting all imports either bagged at the despatching centre or at the ports.

Shortages.

Statement VI shows details of shortages under the several commodities to a total extent of Rs.2,91,405-2-4. This includes shortages both in transit and in storage. Though the shortage is high, when compared with the total sales of over Rs.4 crores, the percentage of shortage works out to only .73 . This is slightly higher than in the previous half-year when the shortage was .51 per cent. As usual the shortage has been the heaviest under Rice and Broken Rice working up to over Rs.1,52,000/- Consolidated shortage statements are still not being received regularly from a majority of the Units.

L o r r i e s.

There were 155 lorries under the control of the Department. The capital outlay on them was Rs.12,50,000/- 5 of these lorries are -- stated to have become completely useless. The Transport Officer has

has been sending Lorry Performance Statements every month for the immediate lorries under his/control at Bangalore. For the lorries working in the Districts the statements are not received. Statement VII shows details of sick and idle lorries and the cost of working the lorries at Bangalore. The cost per running mile works out to 0-13-7 which is very much higher than what we are paying to private transport contractors in Bangalore and even in the Districts. The repair charges and cost of replacing tyres and tubes have been rising. The percentage of sick and spare lorries is high. The average of mileage done by Government lorries is very low. It is clear that the working of lorries by Government Agency is not economical. Government have already ordered that the question of handing over these lorries to private contractors under an agreement to make them available for Food Supply Transport as and when required may be considered early. It is necessary to take very early action on this important matter so as to avoid further loss to Government.

Financial Results of Working.

The financial result of the working of the scheme during this half-year is a loss of Rs.25,86,985-13-0. This is covered entirely by the subsidy on imported grains, the details of which are shown in Statement VIII. Due to the record sales during the half-year the margins available in the prices of local grains due to improved rice iluvaries,lower transport cost, working of a larger number of Sales Depots by Government Agencies, etc., as pointed in detail in the previous report, also reached a record figure and the subsidy on imported grains working out to Rs.41,39,000/- has been reduced to a loss of only Rs.25,86,985-13-0. A rigorous watch on these transport charges, iluvaries of rice, shortages in transit and storage is being kept up to reduce the effect of heavy subsidy on imported - - - grains. This loss does not,however, include the depot charges amounting to Rs.10,85,894/- which are provided for in the Revenue Budget of the State and directly debited to it.

The total loss for the year 1945-46 is Rs.30,12,440-6-5. There is a provision of Rs.25,00,000/- in the Revenue Budget of 1945-46 to meet this loss. The entire amount of the loss may be written off as due to heavy imports in 1946-47 a fairly big amount has to be written

The entire loss should be written off in the Current Year

written off next year also.

Stocks issued to and received by other Units.

Both in the Profit & Loss Account and the Balance Sheet the value of such stocks represent considerable amounts and are very nearly balanced on the two sides. These involve much care in -- accounting as they represent valuable stock in transit. The difference between the two sides in the Profit & Loss Account is due to stock in transit, details for which are fully available. The excess of about Rs.8-1/2 lakhs under this heading in the liabilities side of the Balance Sheet is running for a number of half-years and is due to difference in valuation in earlier periods. As explained in the previous reports this is kept up as a reserve to meet possible short realisations under closing stocks and advances to parties. This half-year in particular we have not received finalised rates from the Government of India in some cases and there is a possibility of our having to pay enhanced prices over the rates intimated as provisional.

Advances to other Units:

Rs.3,11,31,079-1-4 :- This finds a corresponding entry on the other side of the Balance Sheet. The difference of Rs.69,000/- is being traced.

Advances: Rs.35,32,361-2-4 :- The major portion of this represents amounts advanced to foreign administrations as required by them pending despatch of balance of quota due from them.

Suspense: Rs.3,67,905-12-10 :- The major portion of this represents cost of lorries and spare parts paid in the first instance from the Director's Personal Deposit Account pending adjustment to Budget Head. The balance of the amount represents misclassification by the Treasury of amounts creditable to Food Supply Department to other heads. A sum of Rs.1,11,408-8-0 under suspense in the liabilities side is due to amounts received without full details as to their allocation. These are being adjusted.

This should be done

Standard Cloth Account (payable to Director of Textiles: Rs.34,75,408-0-9)

This represents sale proceeds of Standard cloth credited in the first instance along with the sale proceeds of foodgrains to the

to the common account pending transfer to the Personal Deposit -- Account of the Director of Textiles as and when required by him to effect payments. As the Director of Textiles did not have heavy demands as in the case of foodgrains this amount has been kept on here.

This should be returned to Govt a/c closed

There are no other items of magnitude in the Balance Sheet which call for detailed remarks.

Action taken on the previous Reports.

Why is there delay

Government have called for further remarks from the Director on the two previous reports.

Accounts of District & other Unit Offices.

Due to the opening of a large number of Government Depots especially in Districts affected by scarcity the accounting in the Taluk Offices has received a set back and even Districts like - - - Chitaldrug which were sending accounts agreed as between Cash and Stock are finding it difficult to submit regularly even the unreconciled accounts. The reconciliation of Cash and Stock Accounts which is of primary importance in department dealing with large stocks is not being attended to either correctly or promptly in any of the Units. This has thrown an undue burden on the Audit Staff in compiling the half-yearly accounts of the Department by visiting each Taluk and calling for the registers of each depot therein. The Taluk and District Offices have not kept a satisfactory account of amounts payable and receivable by Government. There is need to post superior accounting staff to each District Office so as to provide for intensive instructions to Taluk staff whereever they are lagging and to keep a strict watch over the outstandings so that when the time comes for closing the operations of the Department we are not forced to keep up a special staff to clear them. Statement IX shows the months up to which the several Units have submitted the prescribed returns indicating also by how much the submission of the report is in arrears.

Central Office Accounts.

These are kept up-to-date and the Exchange Account, Account Current and the Verification Statements of the Personal Deposit

Account of the Director are being sent monthly to the Comptroller.

Central Audit.

The pre-audit work is up-to-date. The post audit of T.A.Bills as also bills payable from the P.D.Account of the Director are - - fairly current. The post audit of establishment and contingent -- bills is however in arrears by on an average by nine months due to want of qualified staff. Special arrangements have been since made to clear these arrears in six months.

Local Audit.

Statement X shows the progress of Local Audit in the several Districts and other units. It will be seen that the Local Audit is still in arrears by an average of 9 months. This is due to the acute shortage of hands according to the Basic Scale and also there is a large increase in the number of Government Sales Depots. There are over 50 vacancies now in the Local Audit Staff. The position was brought to the notice of the Government and they ordered on -- 4-7-46 that as far as possible the hands may be taken according to the recruitment rules and where this is not possible to engage hands otherwise with the approval of Government. According to this Government order the Public Service Commissioner has called for applications and the arrears will be cleared as more hands become available. In the meanwhile preference is given to the Audit of the closed - - depots in all the places. It has also to be added in this connection that if the taluk and District Accounts had been made out regularly, the time of about 2 months taken by the Local Auditors in each - - half-year for compiling the accounts of the State could have been -- curtailed and their services utilised to clear some of the arrears in Local Audit.

This should be speeded up

Inspections.

The Accounts of the 12 Units were locally inspected by the Gazetted Officers of the Department during the year and suitable instructions issued.

Objections.

The objections raised during the year in Central Audit are for recovery of amount totalling to Rs.15,925-9-0 and in Local

Local Audit Rs.14,74,065-8-7. Of these only Rs.72,390-2-9 in respect of the latter was recovered during the year. Statement No.XI shows by Districts the objections raised, cleared and pending and the number of Audit Reports issued, received with replies and pending. There is considerable delay in replying to Audit Notes and in recovering the amounts objected to. As recoveries become difficult with lapse of time the disposal of the Audit Notes require the urgent attention of all the administrative officers.

Defalcations.

Annexure 'A' gives brief details of cases relating to misapprpriations with manipulations of accounts, simple misapprpriations cases which border on misapprpriation like excessive shortages in stock, excessive delay in remittances etc. The number of defalcations is large though in a way to be expected in a department like this where comparatively low paid staff dispersed over wide areas are in sole custody of valuable stock and cash. In most of these cases the amounts involved have been or are being recovered;but the large number of cases points to the need for special vigilance on the part of the supervising officers over the depots in their charge.

Standard cloth.

Statement XII shows accounts of the Standard cloth. The sales during the half-year were Rs.14,35,029-9-9 and a profit of Rs. - - Rs.38,161-13-0 was made. I have already referred to the sum of - - Rs.34,75,408-0-9 due from the Foodgrains Account to the Standard Cloth Account. There are no other noticeable features in these statements.

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1. 10. 46.

Auditor & Accounting Officer,
Food Supplies Department.

BJ)9)

Statement I

Cash Account of Food Supply Operations for the half-year ended 30th June,1946.

Receipts.		Payments.	
Opening Balance:		Cash Purchases ...	4,16,35,580- 2- 5
on hand ... 46,05,962- 8- 5		Remittance to Treasury ...	2,48,04,186- 7- 4
at Bank ... 46,74,629- 3- 9		Transport ...	29,34,484-15- 7
in P.D.Account (-)38,63,767- 7- 5		Hulling ...	11,61,555- 4-11
	54,16,824- 4- 9	Commission to Village Officers -	1,10,634-00- 7
Sale Proceeds of Foodgrains	4,18,25,138-10- 7	Miscellaneous ...	2,36,730- 8- 9
Sale Proceeds of Standard Cloth Depots	15,18,448-15- 9	Deposits ...	95,148- 5- 5
Deposits	1,36,734-10- 8	Advances (Parties & Foreign) ...	1,03,71,610-15- 7
Amount received from other Units ..	80,46,243-14- 0	Dead Stock ...	7,495- 3- 3
Refund of Advances (Parties & Foreign)	89,01,810- 8- 6	Suspense ...	1,89,599- 8- 5
Miscellaneous	2,36,416- 7- 8	Standard cloth ...	90,004- 2- 0
Suspense	3,08,325-12- 9	Payment to other Units ...	81,82,166- 4- 6
Commission received	9,131- 8- 2	Closing Balance:	
A.C.Bills drawn	2,62,78,135- 3- 2	on hand 51,92,165- 3-10	
		at Bank 58,65,419- 1- 8	
		In P.D.Account:	
		(-) 81,99,570- 4- 3	
			28,58,014- 1- 3
	9,26,77,210- 0- 0		9,26,77,210- 0- 0

Auditor & Accounting Officer,
Food Supplies Department.

BJ/9/

Profit and Loss Account (Food Grains), for the half-year ending 30-6-1946.

Particulars		Amount.		Particulars.		Amount.
		Rs.	As.p.			Rs.
Opening Stock:				Sales		4,03,51,758-11-10
Foodgrains	1,18,05,261-1-0			~~do~~ stocks issued to other Units		3,51,39,684-11- 7
Fuel & Charcoal	1,55,529-0-0			Miscellaneous Receipts	..	2,63,878- 8- 8
Gunnies	8,29,184-6-0					
		1,27,89,974- 7- 0		Closing Stock (Food Grains)		
Purchases:					2,29,82,173-9-5	
Foreign ..	2,44,76,666-10-11			Fuel & charcoal	25,621-9-0	
Local ..	2,44,99,005- 0- 9			Gunnies	10,14,499-15-0	
		4,89,75,671-11- 8				2,40,22,295- 1- 5
				Loss		25,86,985-13- 0
~~Purchases of~~ Stocks received from other Units	..	3,49,31,267-15-10				
Transport charges	..	35,91,250- 1- 8				
Hulling charges	..	13,14,628-13- 2				
Commission to Village Officers	..	2,01,261- 0- 5				
Miscellaneous charges	..	2,66,643- 6- 9				
Depreciation on Lorries, gunnies etc.,		2,93,905, 6- 0				
Total		10,23,64,602-14- 6		Total		10,23,64,602-14- 6

Auditor & Accounting Officer,
Food Supplies Department.

BJ/9/.

Statement

Balance Sheet as on 30-6-1946

L i a b i l i t i e s.

Comptroller		2,07,35,698-12- 4
Credit Purchases: Foreign	1,92,08,519-10-5	
Local	16,23,142-15-9	
		2,08,31,662-10- 2
Stocks received from other Units		7,79,30,291-13- 7
Standard Cloth A/c (payable to Director of Textiles) --		34,75,408- 0- 9
D e p o s i t s --- --		5,28,736- 1- 9
Transport charges payable --		20,99,346- 1- 7
Hulling charges payable --		12,12,190- 3- 8
Commission to Village Officers payable		2,36,916-13- 0
Miscellaneous charges payable --		1,20,683- 4- 5
Suspense -- --		1,11,408- 8- 0
Depreciation on Lorries & Gunnies etc.,		17,57,788-11- 0
Advances from other Units --		3,12,00,856- 4-10
Commission payable to Comptroller		4,11,045- 9- 2
Total		16,06,52,032-14- 3

A s s e t s.

Remittance in transit		
Advances:		
Pa	4,39,953-11- 0	
Fo	30,92,407- 7- 4	
		35,32,361- 2- 4
-do- Other Units ...		3,11,31,079- 1- 4
Credit Sales		41,66,319- 7-11
Stocks issued to other Units		7,70,76,351- 9- 2
Dead Stock (Weights, Measures, Weighing machine etc.)		80,224- 0- 6
Suspense		3,67,905-12-10
Refunds recoverable ---		10,302- 0- 0
Closing Stock:		
Foodgrains	2,29,82,173- 9- 5	
Fuel & charcoal	25,621- 9- 0	
Gunnies	10,14,499-15- 0	
		2,40,22,295- 1- 5
Closing Cash:		
On hand --	51,92,165- 3-10	
At Bank --	58,65,419- 1- 8	
In P.D. A/c. (-)	81,99,570- 4- 3	
		28,58,014- 1- 3
LOSS:		
Previous half-year	4,25,454- 9- 5	
Current half-year	25,86,985-13- 0	
		30,12,440- 6- 5
Total		16,06,52,032-14- 3

Auditor & Accounting Officer,
Food Supplies Department.

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Statement II

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Statement showing acquisition of Foodgrains during the half-year ending 30th June, 1946.

Sl.No.	Commodities	Quantity.	Cost.
	LOCAL.	Pallas. Srs.	Rs. As. ps.
1.	Paddy I	4,34,931--62	59,46,834- 4- 3
2.	Paddy II	6,34,849--15	72,64,743- 2- 4
3.	Paddy III	77,823--10	8,01,086- 8- 6
4.	Rice	934--77	14,626-13- 9
5.	Ragi	1,82,884--68	25,67,251- 8- 3
6.	Jola	28,534--51	3,98,234- 6- 7
7.	Wheat	259--90	7,861-11-11
8.	Ground Nuts	34,398--81	3,64,218- 9- 1
9.	Horse Gram	7,377--05	2,63,303-15- 7
10.	Other Millets	1,269--65	17,806-12- 9
11.	Bengal Gram	2,281--69	82,668- 2-11
12.	Bengal Gram Dhall	154--00	5,852- 0- 0
13.	Green Gram(Moong)	979--99	35,182- 9- 0
14.	S u g a r Mds.	~~3,44,703--5~~ 1.53.528-5.	30,51,240- 6- 0
15.	Oil Cake Tons.	35--00	12,100- 0- 0
16.	Kerosene Oil(Tins)	16454--19 B.	74,040-10- 4
17.	Barley	370 Bags	8,282- 0- 9
18.	Gunny Bags	No.4,22,747	3,52,154- 6- 7
19.	Miscellaneous	--	35,748- 6- 7
20.	Fuel & Charcoal	--	3,92,832- 5- 0
	TOTAL -- (1) --		2,16,96,068-12-2
	Paddy & Rice from Coorg:		
	Coorg Paddy	1,29,250--80	16,96,315- 3- 7
	Coorg Rice	38,874--44	11,06,621- 1- 0
	TOTAL (2) --		28,02,936- 4- 7
	F o r e i g n :--	Total (1)+(2)	2,44,99,005- 0- 9
	(Vide Statement enclosed)	Total (3)	2,44,76,666-10-11
	GRAND TOTAL OF (1),(2) & (3).		4,89,75,672-11- 8

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Auditor & Accounting Officer,
Food Supplies Department.

J)

Statement No. I a) (Foreign)

Statement showing purchases of foodgrains from outside the State for the half year ended 30-6-1946.

Sl.No.	Commodities.	No.of Bags.	Quantity. Mds. Srs.	Value.	Total value.	Remarks
1)	Wheat & Wheat products	2,63,984	5,54,492--30	56,25,998-10- 6		
2)	R i c e --- ---	2,61,009	6,38,831--13	73,21,640- 0- 7		
3)	Broken Rice --- ---	11,831	33,112--12	2,21,082-15- 0		
4)	Millets -(Ragi, Javar, Kodu etc.,)	1,97,317	4,85,533--20	39,20,319-14- 8		
5)	Pulses -(Toor, Moong, Toordhall & Moong Dhall) ---	51,330	1,40,754--13	22,21,715-15- 3		
6)	S u g a r -- --	10,000	27,200--00	4,53,174- 0- 0		
7)	Dehydrated potatoes & Milk Powder	--	37,377--00	22,21,503- 0- 0		
8)	Bengal Gram -- --	3,961	9,902--20	1,24,907- 3- 0		
9)	Dried Fish -- --	--	272--00	5,800- 0- 0		
		7,99,432	19,27,475--28	2,21,16,051-11- 0	2,21,16,051-11- 0	
	Foreign Purchase of Foodgrains Supplied to Civil & Military Station:-					
1)	Wheat & Wheat products --	12,325	25,401--14	2,88,879- 6- 0		
2)	R i c e -- --	69,829	1,70,363--36	20,25,756-14- 5		
3)	Broken Rice -- --	2,870	7,892--20	45,978-11- 6		
		85,024	2,03,657--30	23,60,614-15-11	23,60,614-15-11	
			Grand Total:--		Rs. 2,44,76,666-10-11	

Auditor & Accounting Officer,
Food Supplies Department.

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Statement I

Statement showing details of closing stock of Foodgrains as on 30-6-46.

No.	Commodity.	Quantity.	Cost.
1.	Paddy I	2,11,861--38	28,68,841- 1- 2
2.	-do- II	2,24,063--83	24,55,778- 7- 0
3.	-do-III	36,008--74	3,73,880- 1- 0
4.	R i c e I	1,52,424--49	44,52,323- 9- 0
5.	-do- II	1,24,521--83	31,75,812- 2- 9
6.	-do- III	7,745--77	1,75,686- 4-10
7.	R a g i	1,53,060--60	21,56,515- 8- 0
8.	S a v e	121--63	1,502-11- 2
9.	J o l a	24,716--21	4,56,082-11- 4
10.	Navane	216--83	2,747-11- 9
11.	Haraka	4,833--86	67,218- 0- 9
12.	Sajje	81--18	1,058- 5- 3
13.	Sugar	3,99,640-- 5	20,43,768- 5- 1
14.	Wheat	63,990--92	15,12,433- 5- 5
15.	Ground Nuts	12,115--58	1,03,531- 2- 1
16.	Broken Rice	6,764--73	1,03,104- 5- 3
17.	Wheat flour	76,14,958 Lbs.	9,65,262-13- 7
18.	S o j i	9,03,265 Lbs.	1,67,860-15- 7
19.	Maida	3,60,365 Lbs.	67,203- 1- 8
20.	U r d	391--90	11,730- 0- 6
21.	U r d Dhall	366--34	28,494-10- 0
22.	Toor Dhall	2,861--29	1,21,213- 0- 0
23.	Moong Dhall	--40	20- 0- 0
24.	Bengal-gram Dhall	87--88	3,915- 3- 0
25.	Bengal-gram	531-- 9	19,020-12- 0
26.	Horse-gram	1,815--84	54,423- 6- 0
27.	Oil-Cake	30 Tons	10,350- 0- 0
28.	Sugar Candy	Mds. 317-- 6	1,769-13- 0
29.	M o o n g	2,204--19	78,744-11- 0
30.	Toor	422--30	16,857- 0- 0
31.	Jaggery	Mds. 14-- 02	43- 0- 0
32.	Dehydrated Potatoes	...	10,95,880-12- 3
33.	Mustard Seed	//--95	50- 0- 0
34.	Kerosene Oil	Tins 4,650--17B.	19,728-12- 0
35.	Wheat Bran	Bags 7499--87 Lbs.	76,530-15- 0
36.	M i l k etc.,	...	2,92,791- 0- 0
			2,29,82,173- 9- 5
37.	Fuel & Charcoal	...	25,621- 9- 0
			2,30,07,795- 2- 5
38.	Gunnies	No.32,25,070	10,14,499-15- 0
		Grand Total	Rs. 2,40,22,295- 1- 5

Auditor & Accounting Officer,
Food Supplies Department.

BJ)9/

Statement VI

Statement showing shortages in stock as on 30-6-46.

Sl.No.	Commodity.		Quantity. P. Srs.	Cost.
1.	Paddy I		676--32	9,834-14- 0
2.	Paddy II		1,785--57	22,158- 9- 3
3.	Paddy III		952--69	10,915- 4- 0
4.	Rice I		615--78	20,522-12- 0
5.	Rice II		3,339--15	93,321- 0- 3
6.	Rice III		505--22	13,265- 0- 0
7.	Ragi		1,175--00	19,350- 2- 1
8.	Jola		567--61	9,459- 9-10
9.	Sugar	Mds.	859-- 5	4,927-14- 6
10.	Wheat flour	Lbs.	62,901--	8,545- 6- 0
11.	Maida	"	16,033	3,015- 2- 0
12.	S o j i	"	15,853	3,270-11- 0
13.	Navane	Pallas	4--40	65- 7- 0
14.	Sajje	"	16--63	257- 1- 0
15.	S a v e	"	2--94	43- 9- 4
16.	Toor Dhall	"	143--59	8,103--11- 7
17.	Urd Dhall	"	5--23	325-14- 0
18.	Bengal Gram	"	15--17	660- 8- 0
19.	" " Dhall		00--13	5- 3- 0
20.	Broken Rice		1,285--93	25,423--15- 0
21.	Ground Nuts		148--05	2,037-- 5- 0
22.	Horse gram.		26--57	995-- 7- 0
23.	H a r a k a		63--38	791--12- 0
24.	U r d.		38--67	1,703-- 6- 0
25.	Wheat		676--94	16,773--10- 9
26.	Potatoes	Mds.	698--20	3,774--14- 0
27.	Dehdrated Potatoes		..	97-- 0- 0
28.	G u n n i e s	No.	31,288	9,924-- 0- 0
29.	B r a n	Lbs.	66,881	908-- 4- 0
30.	Kerosene Oil	Tins.	88--7 B.	490-- 4- 0
31.	Standard Cloth		--	437-- 9- 9
			Total	Rs. 2,91,405-- 2- 4.

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Food Supplies Department.

BJ)

S VII

Statement showing the details of Lorry Performance for the half-year ended 30-6-46.

Total no of lorries available

1) Average No. of Lorries worked every month .. 63

2) Average No. of sick Lorries every month .. 17

3) Total sick and spare Lorries every month .. 21

4) Average miles per working lorry per day .. 31 Vag par

5) Cost per mile per lorry:-

Repairs and maintenance	88,156- 0- 0
Petrol and Transport	36,110- 0- 0
Depreciation ..	1,33,350- 0- 0
Lorry Establishment	43,390- 0- 0
	3,01,006- 0- 0

Cost per each working lorry $\frac{3,01,006}{63}$ .. Rs.4,778-0-0

No. of Miles run by each working lorry 181 x 31 = 5611

Cost of running 5611 miles = Rs. 4,778- 0- 0

Cost of running one mile = $\frac{4778}{5611}$ -- -- Re. 0-13- 7

N.B: This statement excludes the working of 40 lorries attached ~~attached~~ to Districts as the relavent statistical information has not been received by the Transport Officer, from the concerned Deputy Commissioners.

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Food Supplies Department.

S VIII

Statement showing Subsidy on Foodgrains from outside the State for the half-year ended 30-6-1946.

Sl.No.	Particulars.	Quantity purchased. Mds.	Srs.	Purchase price. Rs. As. Ps. per Md.	Selling price	Subsidy.
1.	Ragi & Javar -- Eastern States	77,582	-- 11	6-12-0	16-10-8 per palla	2,00,700- 0- 0
2.	Javar -- Cochin	4,300	-- 00	8- 6-0	-do-	16,200- 0- 0
3.	Millets -- Hyderabad.	2,14,324	-- 19	7- 8-0	-do-	5,23,100- 0- 0
4.	Javar -- Baluchistan	1,51,412	-- 2220	8- 4- 0	-do-	7,49,800- 0- 0
5.	R i c e -- Burma	2,68,225	-- 00	11- 0-0	33- 5-4	5,03,000- 0- 0
6.	R i c e -- Bezawada	64,111	-- 00	7-15-0 to 8-5-0	-do-	74,900- 0- 0
7.	Dried Fish -- Calicut	270	-- 00	580- 0-0 for a ton.	280/- a ton.	3,400- 0- 0
8.	Javar -- Baroda	34,884	-- 00	8- 4-0	16-10-8 per palla	1,37,200- 0- 0
9.	R i c e -- Assam	1,37,359	-- 00	12-10-0	33- 5-4	6,26,200- 0- 0
10.	R i c e -- Central Provinces	1,65,237	-- 00	10- 2-0 (Average)	-do-	1,28,800- 0- 0
11.	Broken-Rice --	25,477	-- 00	9- 4-6	25- 0-0	27,900- 0- 0
12.	Imported wheat flour --	4161 Tons.		13- 8-0	11-11-0 a Md.	4,79,400- 0- 0
13.	Imported wheat --	7223 tons.		9- 8-0	25- 0-0 per palla.	5,49,000- 0- 0
14.	R i c e -- Coorg --	1,12,669 Pallas		29- 2-0 a palla	28- 9-0 -"-	63,400- 0- 0
15.	Dehydrated Potatoes --	100 Tons		1- 2-0 a Lb.	0-14-0 a Lb.	56,000- 0- 0
						41,39,000- 0- 0
	LESS recovery of 0-8-0 per bag on pulses and other local small margins due to improved rice iluvaries, lower transport cost, etc.,	--		--	--	15,52,014- 0- 0
						25,86,986- 0- 0

Auditor & Accounting Officer,
Food Supplies Department.

Statement IX

Statement showing the receipt of periodical account returns up to 30-6-1946 from the several Unit Officers of the Food Supply Department.

Sl. No.	Name of Unit.	Transfer of Stock Returns: Receipts. CS.form 14.	Transfer of Stock Returns: Issues CS.form 14a	Stock Return C.S.form 16	Cash Return C.S.form 17	Stock Verification Report	Shortage Statement	Remarks.
1.	D.C. Bangalore	Oct.45	Oct.45	Oct.45	April,46	June,46	June,45	Cash & Stock Accounts have not been agreed.
2.	" Mandya	June,46	June,46	June,46	June,46	June,46	-do-	-do-
3.	" Mysore	June,46	June,46	June,46	June,46	June,46	-do-	Cash & Stock Accounts have been agreed.
4.	" Hassan	June,46	June,46	June,46	June,46	June,46	-do-	Cash & Stock Accounts have not been agreed.
5.	" Tumkur	June,46	May, 46	May, 46	May, 46	June,46	-do-	-do-
6.	" Kadur	June,46	June,46	June,46	June,46	June,46	-do-	-do-
7.	" Shimoga	June,46	June,46	June,46	June,46	June,46	-do-	-do-
8.	" Chitaldrug	Feb. 46	Feb. 46	Feb. 46	Feb. 46	June,46	-do-	-do-
9.	" K o l a r	Sept.45	Sept.45	Sept.45	Sept.45	June,46	-do-	-do-
10.	R.O. Bangalore	--	--	June,46	June,46	June,46	-do-	Cash & Stock accounts have been agreed for the Sales Depots only.
11.	R.O. M y s o r e.	--	--	Dec. 45	Dec. 45	June,46	-do-	Cash & Stock accounts have not been agreed.
12.	Assistant Director of Food Supplies (Depots)	--	--	--	--	June,46	April,45	.. do. ..

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Food Supplies Department.

			19 "	31-3-44							
ationing office, angalore.	58 Units	30-6-46	3 depots 1 Cont.Office 5 depots 4 depots 12 depots	30-4-46 30-4-46 31-3-46 31-12-45 30-6-45	3 Fuel Offices 1 Control office 7 Fuel & Food Offices 2 depots	30-6-46 30-4-46 31-5-46 30-4-46	--			3 depots 5 " 4 " 4 " 10 Control offices	1-5-46 1-6-46 1-1-46 1-7-46 1-6-45
eserve & ub-Godowns angalore.	21 Units 48 Units	To date of Closing. 30-6-46.	2 Godowns 1 R.D. 8 Godowns 3 " 1 " 4 " 1 " 1 " 9 " 1 " 1 " 2 "	30-4-46 26-1-46 31-10-45 30-9-45 24-8-45 31-3-45 28-2-45 31-12-44 31-10-44 30-9-44 31-5-44 30-9-43	1 R.D. 1 S.G.	26-1-46 30-4-46	1 R.D. 2 S.G.	30-4-46 -do-		3 Godowns 4 " 12 " 9 " 4 "	1-5-46 1-6-45 1-1-45 1-1-45 1-8-43
angalore Dt.	11 Tks & D.C.s Office.	30-6-46	1 Tk(part) 1 Taluk 2 tks 3 Tks 1 Tk 1 Tk 1 Tk 1 Tk.	31-12-45 31-12-45 31-10-44 30-6-44 30-4-44 30-9-44 31-3-45 31-8-44	1 Tk(part) 1 -do-	31-3-46 31-12-45	3 Tks(part) D.C.'s office	30-6-46 31-12-45		3 Tks 1 Tk(part) 1 Tk 2 Tks 1 Tk 1 Tk 1 Tk 1 Tk	1-4-46 1-1-46 1-1-46 1-11-44 1-5-44 1-10-44 1-4-45 1-9-44
assan District.	8 Tks and 2 Units.	30-6-46	3 Tks(part) 2 Tks	31-12-45 -do-	1 Tk	31-12-45	8 Depots	31-12-45	D.C.'s Office	--	1-1-46
										3 Tks(part) 2 Tks 1 Tk 2 Tks 2 Units	1-1-46 1-1-46 1-1-46 1-7-45 1-7-45
himoga Dt.	9 Taluks & 2 Units.	30-6-46.	2 Tks(part) 7 Tks 2 Units	31-12-45 31-12-44 31-12-44	2 Tks(part)	31-12-45	2 Units	31-12-45		2 Tks(part) 7 Taluks 2 Units	1-1-46 1-1-45 1-1-46.

44 & 45 - SKD be computed

Auditor & Accounting Officer,
Food Supplies Department

S XI

Statement showing details of No. of objection statements issued, amount put up for recovery and those remedied and balance outstanding on 30th June, 1946.

No.	Units.	No.of Objn.statements Issued	Reme-died.	Bal.on 30-6-46	Amount objec-ted to for shortages in stock.	Excess &Over--payments & want of vou-chers etc.	Short Remittances	T o t a l.	Amount recove-red & adjusted.	Balance outstand-ing on 30-6-1946.
	Local Audit:				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Kolar	64	7	57	79994-12- 2	13177- 1- 2	5163- 2- 4	98334- 5- 8	9820- 9- 4	88,514- 6- 4
2.	Tumkur	114	42	72	10377-10- 5	23776- 5- 6	- - -	34153-15-11	6543- 0-10	27,610-15- 1
3.	Hassan	153	6	147	38292- 4- 6	116278- 9-11	- - -	154570-14- 5	1599- 5- 9	1,52,971- 8- 8
4.	Mandya	93	3	90	30,036-7- 3	8251-12-11	86417- 2- 1	132705- 6- 3	415- 4- 8	1,32,290- 1- 7
5.	Mysore	47	7	40	49,515-10-10	14544- 2- 7	28360- 3-10	92420- 1- 3	4572- 1-11	87,847-15- 4
6.	R.O.,Mysore	95	5	90	18,431-12- 1	7232-15- 8	- - -	25664- 1- 9	5297- 2- 9	20,367- 9- 0
7.	Shimoga	29	6	23	279797-10- 9	74129-12- 6	6089- 2- 7	360016- 9-10	2022-13- 0	3,57,993-12-10
8.	R.O. Bangalore	236	78	158	183745- 4- 5	14186- 5- 3	- - -	197932- 9- 8	9587- 9- 6	1,88,344- 0- 2
9.	K a d u r	51	26	25	- - -	88951- 0- 1	~~4545-11-3~~	88951- 0- 1	4545-11- 3	84,405- 4-10
10.	Bangalore	13	-	13	131677-13- 9	59924-10-10	15080- 8- 4	206683- 0-11	14485- 8- 4	1,92,197- 8- 7
11.	Chitaldrug	61	9	52	13105-14- 8	69527- 4- 2	- - -	82633- 2-10	13500-15- 5	69,132- 3- 5
		956	189	767	842975- 4-10	489980- 0- 7	141110- 3- 2	1474068- 8- 7	72390- 2- 9	14,01,675- 5-10
	Add Central Audit Objections							15925- 9- 0	- - -	15,925- 9- 0
	Grand Total	956	189	767	842975- 4-10	489980- 0- 7	141110- 3- 2	1489991- 1- 7	72390- 2- 9	14,17,600-14-10

Auditor & Accounting Officer,
Food Supplies Department.

Very heavy outstanding

BJ)

S XII

96

(I) Cash Account of Standard Cloth for the half-year ending 30-6-46.

Receipts.		Payments.	
Opening Balance	77,697- 9- 1	Dyeing charges paid	59,091- 7- 0
Receipts from ~~Director of Civil Supplies~~ Deputy Commissioner	15,65,314- 3- 7	Controller of Supply Accounts --	12,45,002- 0- 5
Miscellaneous receipts	428- 6- 2	Miscellaneous charges	244- 7- 0
		Closing Balance	3,39,102- 4- 5
Total	Rs.16,43,440- 2-10	Total	Rs.16,43,440- 2-10

Exam

(II) Profit & Loss Account (Standard Cloth) for the half-year ending 30th June,1946.

Opening stock	5,26,840- 0- 9	Sales ---	14,35,029- 9- 9
Receipts from Mills.	11,54,417- 0- 9	Miscellaneous Receipts	428- 6- 2
Dyeing charges	57,954- 6- 0	Closing stock	3,42,159-11- 7
Miscellaneous charges	244- 7- 0		
P r o f i t --	38,161-13- 0		
	17,77,617-11- 6		17,77,617-11- 6

(III) Balance Sheet of Standard Cloth as on 30th June, 1946.

Liabilities.		Assets.	
Comptroller	35,00,000- 0- 0	Amounts due from ~~Director of Civil Supplies~~ Deputy Commissioners	34,75,408- 0- 9
Dyeing charges payable	33,872-12- 0	Closing stock	3,42,159-11- 7
Controller of Supply Accounts	5,38,832-13- 9	Closing cash --	3,39,102- 4- 5
Profit --	83,964- 7- 0		
	41,56,670- 0- 9		41,56,670- 0- 9

Auditor & Accounting Officer,
Food Supplies Department.

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BJ)

ANNEXURE "A"

Statement showing cases of defalcations and other irregularities.

I Misappropriation ~~x~~ with manipulation of accounts:-

KOLAR DISTRICT:

At the Vokkaleri Hobli Depot in Kolar Taluk, a sum of Rs.1966-9-0 was misappropriated by the Depot Clerk who having sold stocks between November, 1944 and August, 1945, continued to show higher stock balances (against actual lower balances) as though no sales were conducted by him. This was reported to the Deputy Commissioner of the District in Memo of 24-1-46 and the objections statements dated 25-3-46.

Action taken

With the exception of ~~Rs.10~~ Rs.75-8-10, the amount was recovered and remitted to ~~the~~ Treasury.

TUMKUR DISTRICT:

2) In the Sales Depot at Holavanahalli in Koratagere Taluk the Depot clerk had misappropriated amounts to the extent of Rs.1172-6-1, by keeping back a portion of the sales realisations almost each day. The returns submitted to the Taluk office were so made up as to agree with the amounts he actually handed over to the Patel daily for being remitted to the Treasury.

The entries in the stock ledgers were made on the basis of the returns submitted to the Taluk office and not on the basis of the sales book or on the total of the cash bills for the day. The defalacations could have been averted if only the Inspecting - - Officers had checked the cash with the Depot clerks at the time of inspection or checked the stock ledger with the actual stock on hand. The Taluk office also did not question at any time the variations between the book balances as per the depot returns and the actual balances reported by the Stock Verifying Officers. The total amount involved in the case, i.e., Rs.1172-6-1 was however recovered in full and credited to treasury on 17-8-46.

RATIONING OFFICE, BANGALORE:

3) In Fuel Depot No2 in II Division, fuel costing Rs.262/- at retail rates was eliminated from accounts as issued to the Reserve Depot in December, 1944. The acknowledged invoice was not produced nor was the ~~xxxxx~~ receipt of the stock traceable in the - - accounts of the Reserve Depot. The amount has been asked to be made good.

4) In fuel depot No.1 in IX Division, 9-16-3 tons of jungle fuel was eliminated from the accounts and shown as sent to the Reserve Depot but it was not traceable in the accounts of the latter, and the acknowledgement of the Reserve Depot was also not produced. The cost of stock irregularly eliminated i.e., - - - Rs.238-9-0 has been asked to be recovered.

5) In the Bangalore City Rationing Office, a sum of Rs. - - Rs.3929-5-0 was misapprpriated by the cashier by charging off in the cash book a second time, salary already paid to officials on the same or previous days, the amount being made good subsequently by making payment to others who had not received their pay till then without charging such payments in the cash book. The official has been placed under suspension pending orders.

MYSORE DISTRICT:

6) On 1-2-1946, 5 pallas of Ragi was purchased at the Nanjangud Central Depot and taken to purchase and stock registers. This quantity was shows as shortage on 19-2-1946 and added on to the old shortage of 53 pallas and 95 srs. The shortage of 5 pallas which occurred within a period of 19 days was objected to and the recovery of the value of Rs.83-5-4 is being effected at Rs.10/- per month from the official responsible.

RATIONING OFFICE, MYSORE:

7) In connection with the embezzlement of Rs.300/- noticed in the course of the preliminary audit of accounts of Sales Depot No.9, in Devaraja Mohalla as pointed out in the list of the previous year, the detailed audit of depot disclosed a further shortage of Rs.15-13-6 in cash and a heavy shortage in goods valued at Rs.577-14-7 exclusive of the cost of admissible shortage of Rice and other foodgrains at 2 and 1 per cent respectively which amount to Rs.271-1-5.

8) The shortage in cash and the inadmissible shortage in goods have been objected to for recovery from the two Managers who held charge of the Depot during period covered by audit out of their security deposits and other moneies due to them by Government. Regarding the recovery or otherwise of the cost of the inadmissible shortage of goods it is pointed out that the question of - - getting the recovery waived under competent sanction does not - - appear to be worthy of any consideration as a deliberate fraud has been committed by means of false fabrication of proof of payment.

8) During the audit of the Rationing Office, Mysore for the period from 1-1-1945 to 30-6-1946, it has been noticed ~~with~~ the Cashier who was dismissed from service since (on 4-4-46) for - - receiving illegal gratification from subordinates was found responsible for a loss of about Rs.580/- due to Government, by falsification of accounts and possible embezzlements and irrecoverable overpayments. A preliminary report has been sent to Government by the Department and a final report will be made after the audit is completed. A sum of Rs.380/- has however been recovered from the party towards such losses.

9) It was pointed out in the list of irregularities for the year ending 30-6-45 as to how the Manager of No.3 Sales Depot at Mandi Mohalla, Mysore was responsible for misappropriation of Government money to the extent of Rs.781-0-1 by falsification of accounts.

This same person was in charge of the Motikhana Depot from 15-10-44 to 15-11-44 and during this period he misapprpriated a total sum of Rs.124-15-6 of Government as under:--

What is the action taken against the man?

A sum of Rs.91-14-9 being the sale proceeds of the depot was remitted to the Mysore Bank by the Manager as pertaining to Mandimohalla Depot No.15 with a challan superscribed as such on 9-11-1944. This amount was taken as reducing his liability of Rs.781-0-1 in respect of Mandimohalla Depot No.16 so that the sale realisations of Motikhana depot remained unaccounted for. This is the same kind of fraud as that which he committed in - - Devaraja Mohalla Depot No.10, when he hoodwinked the Food Inspector into believing that the remittance of Rs.259-6-0 which actually belonged to Devaraja Mohalla Depot No.10, pertained to Mandi Depot No.16.

Next, he has charged in the cash book a sum of Rs.123-0-9 as having been remitted to the Bank while the challan receipted by the Bank and the Bank's daily statement of account show only Rs.85/-. Thus, accounts have been falsified and Government money embezzled to the extent of Rs.38-0-9.

HASSAN DISTRICT:

10) A sum of Rs.1211-9-0 was paid by the Amildar, Alur Taluk towards the cost of 107-00 pallas of paddy stated to have been supplied by one Krishnappa of Ponnathapur village to Kundur Mills without actually verifying the stock entry in the Mill accounts. The Millowner contended that he did not receive this quantity of paddy at the mill. The payment of the cost of paddy which was not actually received amounts to misappropriation of Government money.

It is learnt that the amount had been asked to be made good by the Amildar who is however since reported to be dead. The - -

The Deputy Commissioner has been requested to recover the amounts immediately and bring to book all the concerned offenders in this case.

KADUR DISTRICT:

11) At the Annagere Depot in Kadur Tk. heavy shortages were noticed during the local inspection by an Audit Officer. The shortages had occurred within a short period of 2 months and 9 days from 22-9-45 to 30-11-45. The Revenue Inspector in charge of the Depot tried to cover up the shortages by reducing the quantities on the receipt side of the stock ledger with the remarks -- " 5 - 6 seers shortages " "Shortages of 5 - 6 seers in each bag " etc., long after their purchases from the several ryots. It is not clear as to why grains bags were not got measured as and when purchases were made from ryots. It is also significant that no acknowledgements had been given to the ryots for the grains received from them, nor were the receipts intimated to the Taluk Office through the daily returns of the depot. Shortages do not occur in the case of foodgrains locally acquired and sold and that within so short a time and the other circumstances of the case make the transactions look highly suspicious.

The following are the details of the shortages mentioned above:--

Ragi		Total quantity dealt in	Shortage booked	Cost.
R a g i	--	338--15	8--15	135-13-4
J o l a	..	43--15	3--88	64-10-8

At the same depot and during the same period heavy shortages were noticed in respect of other commodities also. The value of these shortages amounted to Rs.421-7-2. In the case of sugar particularly the shortage was so high as 30 % .

The total value of shortages involved in the case of this depot amounts to Rs.621-15-2. The Deputy Commissioner of the District has been requested to recover the value of the abnormal and suspicious shortages.

Records to be watched

BANGALORE DISTRICT:

12) At the Dobbapet Sales depot in Nelamangala Taluk, frauds to a total extent of Rs.689-6-6 were committed by having recourse to the following means:--

i) bringing forward closing balances with the third digits omitted;

ii) Mistakes in ~~merely~~ subtracting issues

iii) items of stock being left out of account;

iv) an excess in the third digit being adopted for charging off issues in the stock ledgers;

Action taken ?

v) lower quantities being taken to stock against higher quantities acknowledged;

vi) making short remittances to treasury;

vii) the total collections in the depot to end of May, 46 were Rs.3473-10-2 against which only a sum of Rs.3215-3-3 was remitted to treasury and the balance of Rs.223-6-11 was kept back. Against this amount a sum of Rs.223-8-0 was remitted to treasury on 11-6-46 after the omission was pointed out in audit. This is a case of temporary misapprpriation of sale proceeds.

This amount is not included in the total sum pointed out above.

13) In Magadi Taluk, 21 cases of deliberate attempts to defraud Government by altering the figures at the treasury after making payments to parties was detected in audit. In the vouchers

vouchers sent to the Audit Office both the quantities of food-grains collected and amounts paid have been enhanced while the ledger accounts of the depot and the acknowledgements given by the depot clerk for stock received in form No.HS.3 showed lower quantities. The total amount defalcated is Rs.791/-. A sum of Rs.518/- has already been credited to Treasury after the irregularity was detected, as amounts of refunds by parties of excess sums paid to them. The balance of Rs.273/- is still due for recovery.

OFFICE OF THE ASSISTANT DIRECTOR OF
FOOD SUPPLIES (DEPOTS), BANGALORE.

14) During the course of audit of the accounts of Naranarayana Choultry Sub-Godown the following cases of misapprpriation were noticed:--

(a) In the office copy of delivery note book containing page numbers 9001 to 9050 for the period from 22-11-45 to 26-11-45 (when only delivery notes were being written) was missing. The receipts relating to these items were therefore verified from the copies of the delivery - - notes submitted to the office of the Assistant Director of Food Supplies(Depots). During the process of verification it was noticed that the delivery note No. 9012 dated 22-11-45 for Rs.213-6-6 issued for cash sale was noted in the sales abstract as an issue on credit to a Government depot and the amount omitted to be entered in the Sales Abstract. The total of the day which did not include the above item was carried to the cash book and the amount misappropriated by the Cashier.

(b) Again, cash receipt No.113 dated 19-2-1946 for Rs.104-6-6 was deliberately omitted to be noted in the sales abstract and the total for the day which was short by this sum only was taken to the cash book and the amount misappropriated by the cashier. To avoid detection, the entry was subsequently inserted in the Sales Abstract, though the amount was not included in the total for the day and the entry was afterwards erased by means of a rubber. The erasure having attracted the attention of the inspecting officer led to an investigation which disclosed that the amount of Rs.104-6-6 was misappropriated.

These are deliberate cases of misappn + what action was taken to be enquired

The above sums were subsequently made good by the Cashier when they were detected.

The Inspector in charge of the depot did not exercise any sort of check over the cash collection and this encouraged the cashier who was left to himself to misappropriate the amounts.

15) During the course of audit of the accounts of Polepalli Subbiah's Choultry Reserve Godown the following cases of misappropriation were noticed:--

(a) Delivery Note No.62,818 dated 30-3-44 for the issue of one bag of soji of 186 lbs to Parameswariah, cash receipt No. 13844 dated 29-3-44 has been quoted. This receipt is among those cancelled and no amount was received thereon.

(b) In Delivery Notes Nos.62916 and 62941 dated 17-5-44 & 29-6-44 respectively for the issue of one bag of soji on 1 each cash receipt numbers 14418 and 14424 have been quoted. These receipts could not be verified as the book was stated to have been lost. No amounts are found entered in the Day Book against these receipts nor have the amounts been remitted.

The above issues/to have been made on receipts forged by are considered a menial of the office, whose action was detected in another case. a case was lodged against him which ended in his being criminally

criminally convicted. The cost of stock issued in the above cases,which comes to Rs.140-10-0, has to be recovered.

Due to lack of care on the part of the office in keeping the receipt books in safe custody, there was scope for the culprit to abuse the receipts.

16) In the daily statements of receipts and issues of stock in the Co-operative Society Buildings Sub-godown for 14-7-45 the Special Revenue Inspector in-charge entered by mistake 86 bags of K.C.Rice as issued instead of the correct number of bags i.e., 76. Thus, the balance as per statement was reduced by 10 bags. - - Following this error, the balance as per daily statements of - - 26-7-45 was shown as 408 bags and one kore, instead of the correct number i.e., 419 as per stock ledger. The Inspector handed over charge of that depot on 26-7-45 and the incorrect number (shown in the daily statements) of 408 bags and 1 kore only was handed over. Thus 10 bags were not accounted for. It was seen from the ledger that numerous corrections and alterations of the original entries had been made making additions to the quantities noted as shortages to make up these 10 bags. These corrections cannot be accepted and the cost of Rs.268 has to be recovered.

II Misappropriations.

Kolar District:

17) At the Tyakal Depot in Malur Taluk a sum of Rs. 1650-6-0 was misappropriated by the Depot Clerk between the period from Jan - May 45, by getting payments made for stocks not actually acquired and brought in Government accounts. This was reported to the Deputy Commissioner of the District.

Action taken?

A sum of Rs. 1525-11-0 was recovered from the official and remitted to the Treasury. A balance of Rs. 124-11-0 is still due to be recovered in this case.

18) In the Mulabagal Taluk, misappropriations similar to that occuring in Malur Taluk, were detected during the period March 1944, - June 1945. The total amounts involved in these cases was Rs. 2877-4-9 vide details given below:

Duggasandrahobili	Rs. 360-15-0
Avani.	208-15-9
Thayalur.	198-11-0
Reserve Depot.	2,108-11-0
Total	Rs. 2,877- 4-9

These case have been reported to the Deputy Commissioner of the district indetail and action is being taken for the recovery of these sums.

Rationing Officer, Bangalore:

19) In the Hebbal Grains Depot, the account books were not well kept. Nearly all the books were in manuscript and none of them were authenticated by the signature of the Manager of the Depot or other officials. The audited accounts were therefore prepared with the help of the supply register in the Food Office showing the grains supplied to the Depot. A net inadmissible shortage of the balance of Rs. 556-2-0 after allowing for 2 seers per palla for rice and one seer per palla for other commodities was revealed in audit. The manuscript book showed a closing stock worth Rs. 211-4-0 at retail rates, and no information was made avialble as to what happened to this stock. This was therefore not taken as closing stock and the value thereof is included in the total shortages of Rs. 556-2-0 referred to above which the Department has been asked to recover from persons responsible.

20) In the office of the Asst. Rationing Officer, North Circle, the clerk in charge of the work of collecting commission for coupons issued to retail dealers etc., collected a sum of Rs. 2521-12-0, but remitted to Treasury only Rs. - Rs. 2480/- withholding the balance of Rs. 41-12-0 on one coupon of 16-9-45, he collected Rupees 13-12-0 as against Rs. 24-12-0 actually due. The Department has already collected Rs. 38-8-0 out of a total of Rs. 52-12-0 due from the Clerk and the balance has been asked to be recovered early.

In respect of Rs. 22-0-0 collected on another coupon dated 3rd September 1945 and included in the above a sum of Rs. 52-12-0 it was noticed that the clerk had removed the office copy of the coupon also from the book. He is reported to have surrendered it later. He has been placed under suspension pending further enquiry. This irregularity could have been prevented if the Head of the office who is responsible to see that all the moneys collected dailyin his office are duly checked with the relevant records, brought to account and also remitted to the Bank the same day or the next day, had duly discharged his duty.

21) In Depot No. 13 in I Division, ten bags of fine rice and two bags of maida supplied to the Depot on 16th and 27th Jan 45, were not taken to account. On investigation, it was found out that the articles had been kept in a private place instead of being brought to the Depot from the Sub-godown. The attender of the Depot, concerned, was prosecuted and convicted, and much of the stock was also recovered. The cost of balance not as yet recovered amounting to Rs. 43-12-0 has been asked to be recovered.

Rationing Office, Mysore:

22) Abnormal shortages of cash and stock to the extent of Rs. 659-13-10 and Rs. 972-1-0 have been noticed during the course of the audit of the accounts of Laskkar No. 2 Depot and Chamaraja No. 4 Depot. The matter requires to be further investigated with a view to early recovery of these huge amounts.

action taken

23) In the Standard Cloth sales Depot at French Rocks, the following shortages were noticed when the Asst. Textile - Inspector checked the stock on 5-4-46:

Variety.	Book Value.	Actual Stock on hand.	Shortage	Value.
20/9 Dhoties.	748½ Prs.	560½ Prs.	188 Prs.	750-0-8
20/15 "	453 "	432 "	21 "	66-1-0
40/9 "	64 "	63 "	1 "	3-13-4
40/5 Shirting	190 Yds.	152 Yds.	38 Yds.	15-0-8
14/7 Drill.	1558 "	1506 "	52 "	25-3-0
		Total Rs.	..	860-2-8

Subsequent to his checking the stocks, 60 cash bills were written up in the evening to cover up this shortage. The cost of the entire shortage (Rs. 860-2-8) together with the value of the actual sales made on 5-4-1946 aggregating Rs.- Rs. 1085-9-4 was remitted to the Treasury on 6-4-46.

During the course of audit the following further shortages were noticed:

20/15 Dhothies.	One Pair	Value Rs.	3-2-4
14/6 Shirting.	One Yard.	"	0-5-7
20/9 Dhothies.	15 Pairs.	"	60-12-6

The Deputy Commissioner has been asked to recover the amount also.

24) In the Settahalli Sales Depot, in Seringapatam Taluk, the Special Revenue Inspector, who checked the stock balances found no stokks on hand though the accounts showed the following balances:

	Ps.	Srs.
Rice I Sort.	9	68
Rice II Sort.	4	15½
Wheat.	1	44
Bengal Gram.	0	27⅜/8
Sugar.		1 Maund.
Atta. ..		64 lbs.
Potato Chips.		50 lbs.

The Amildar of the Taluk has handed over the Depot Clerk to the Police and is taking action to recover the value of the shortages viz., nearly Rs- 550/- from him.

HASSAN DISTRICT:

25) In Alur Taluk, a consignment of 31·50 pallas Ragi transferred from Kundur Purchase Depot to the Reserve Depot at Alur, was not taken into stock account at the later Depot, though the quantity had been acknowledged by the Depot Clerk, in the Invoice returned to the consignor. The value ~~of~~ thereof viz., Rs. 535/- was collected from the Depot Clerk after it was pointed out in audit. As the Ragi had already been disposed of and there was not stock on hand and the sale proceeds were also not brought to account this is a clear case of misappropriation. Want of further scrutiny of initial accounts was the cause of this fraud. The Deputy Commissioner has been requested to take suitable disciplinary action in the matter.

BANGALORE DISTRICT:

26) The cash at Ramachandra Pur Depot in Bangalore North Taluk was checked on 28-5-1946, by an audit officer and temporary misappropriation of the sale proceeds amounting to Rs. 112/- was noticed. This has been reported to the Deputy Commissioner of the District for immediate recovery.

27) The accounts relating to Kodihalli Sales Depot showed that a portion of the sale proceeds of 15-1-46 amounting to Rs. 10/- had not been remitted to Treasury and that the sale proceeds from 15-1-46 to 23-1-46 amounting to Rs. 99-10-8 which were handed over to the Patel of the Village were not remitted to the Treasury by the later. These amounts were subsequently got remitted on 30-7-46.

At the same Depot, loss or short receipt of one bag of ragi on 11-4-46 and another bag on 4-6-46 was ~~and~~ detected the person responsible for the same being the carting - contractor. The cost of Rs. 26-10-8 has been asked to be recovered from him.

28) At the Harohalli Sales Depot, the sales realisations upto 21-4-1946 (during April 46) amounting to Rs.1793-0-4 accepted by the Patel on the 2nd, 7th, 9th, 14th and 21st April 1946, have not been credited to treasury so far. It is however, ascertained that this amount was stolen by a third party, during transit and ~~the case is pending~~ decision in a court of Law.

29) In Channapatna Taluk, Standard cloth Bale No. 2208 of STD. 20/9 (8/2) received under delivery note No. 7902 dated 7-2-46 from the Asst. Director of ~~Food~~ Food Supplies and despatched to Channapatna Taluk under invoice No. 9644 dated 7-2-46 of the District Reserve Depot Bangalore containing Dhoties has been receipted in the Standard Cloth stock Ledger of the Channapatna Taluk Depot as 138 pairs. This is a variety received from Sitaram Mills, Trichur and contains 188 pairs in each bale. Bale Nos. 1955, 1959, 1934, 1940, 1939, 1958, 2174 2173. 2175, 2172, 2171, 2206, 2197, 2195, 2202, 2203, and 2198 issued to other Taluks in the District during October 1945, Dec 45 and Jan & Feb 46 have been receipted as 188 pairs. On referring to the District Reserve Depot Invoice it is seen that by a clerical error 138 pairs are put in the invoice instead of 188. As the District Reserve Depot does not actually handle the bale, but merely enters the transactions in its ledger and as the figures 3 and 8 are easily mistaken and much more easily alterable it is evident that the standard cloth Depot Clerk of Chennapatna has exploited the situation, viz., the clerical mistake referred to above. As the bale wrapper has either been mislaid or not preserved in the Depot and there was not immediate

no immediate reference of any tampering with the steel straps on the bale it follows that the bale was intact at the time of delivery and 50 pairs of Dhothies have been suppressed and not accounted for.

30) A sum of Rs. 152-14-0 being sale proceeds of Ragi sold to ~~Kxxxk~~ Bannikuppa Society on 5-6-46 remained un-remitted though there were subsequent remittances. This fact was brought by the local Auditor to the notice of the Amildar on 11-7-46. The Amildar has since reported that the amount has been got credited to Treasury on 12-7-46.

~~Magadi Taluk~~:

21 cases of deliberate attempts to defraud Government by altering the Figures at the Treasury after making payments to the parties were detected in audit. In the vouchers sent to the Audit both the quantities of food grains collected and the amount paid have been enhanced while the ledgeraccount of the Depot and some acknowledged by the Depot Clerk on the H.S. 3 Form showed only lesser quantities. Total amount defalcated is Rs. 791-0-0. A sum of Rs. 518/- has already been credited as excess amounts refunded by parties after irregularities was detected. The balance of Rs. 273/- has yet to be credited.

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III IRREGULAR AND DOUBLE PAYMENT ETC.

TUMKUR DISTRICT:

31) An advance of Rs. 200/- was paid to Special Revenue Inspector of a Taluk for payment of cart hire on the ground that carts could be had only on payment of the hire in advance. In spite of this advance, the Taluk Office also made payments on account of cart hire, so that in certain consignments, the Taluk Office first paid the cart hire and and advance holder also made payments later which resulted in double payment. This irregularity could have been avoided if the Taluk Office had not made the payment when a special advance for that specific purpose had been granted or had withdrawn the advance or at least obtained a certificate from the advance holder that no payment had been or would be made by him on the consignment.

This irregularity was brought to the notice of the Sub-Divisional Officer. Necessary action was taken to recover the amount paid in excess and the Revenue Inspector was reverted on consequence of the disciplinary measures taken against him.

RATIONING OFFICE, BANGALORE:

32) In the audit of the accounts at the Way Bridge, short collections amounting to Rs. 593-12-9 during the half year ending June 1945 were noticed. The details relating there to are set out below:

(a) Short Collections due to wrong calculations	Rs. 139-8-9
(b) Value of the Differences in quality as between the supply Register and the Delivery Note.	25-11-0
(c) Short recovery of transport charges.	428-9-0

The Department has been asked to recover the total amount due on account of these heavy under-recoveries.

In Depot No. 1 in IV Division four bags of Sugar were stated to be missing on account of theft on 25-10-45. The value of the sugar viz., Rs. 250/- has been asked to be recovered.

RATIONING OFFICE, MYSORE:

33. Heavy shortages in cash aggregating to Rs. 1969-9-3 were noticed in the course of audit of Mandy, Devaraj & Chamaraj emergency Depots. These were due to the sale of commodities either at rates lower than the authorised rates or at concessional rates on coupons issued by the Rationing Officer to the general public, When such rates are allowable to only recognized distributing agencies viz., Licensed Merchants, Co-operative Societies etc. The whole amount has been objected to for recovery from the Depot - Managers responsible for such irregular sales.

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IV. Excessive Shortages in Stock:

KOLAR DISTRICT:

34) A sum of Rs.670-12-6 being the value of foodgrains found short at the Holur hobli depot in Kolar Taluk, at the time of its abolition, has been objected to for recovery.

The stocks sent by this depot to the Taluk Reserve Depot were not taken to the accounts of the latter immediately as required by rules. The above shortages out of stocks returned were intimated after over a month and this leads to a doubt as to where the shortage actually occured.

No action appears to have been taken so far for the recovery of this heavy sum.

RATIONING OFFICE, BANGALORE:

35) It was noticed during the course of audit of accounts of Fuel Sales Depots that shortages far exceeded the percentages admissible viz., 8 % for Casurina and 10 % for Jungle Fuel allowed by Government as shortage on account of driage. The shortages in a few cases were more than 15 % and in two cases the shortages were as high as 45 % and 61 %. The Department has been asked to recover the value of these shortages.

36) (a) In Reserve Depot in No.1 Division stock worth Rs.2299-1 was found out in audit as having been supplied during the half-year ending June,45 from the Way Bridge and not taken to account in the depot. The department has been asked to investigate as to how this could have happened and to recover the amount involved from the persons responsible.

(b) A short recovery of Rs.183-11-3 was also noticed in the case of this depot. The department has been asked to recover this amount from the persons concerned.

37) In Fuel Depot No.2 in III Division, the audit of which was urgently taken up at the special request of the Rationing Officer who observed heavy shortages there, a total gross shortage of the value of Rs.5149-1-0 relating to the Calender year 1945, was - - noticed. The shortage for the period noticed from January to June,45 worked out only to 11 %. For the subsequent half-year, however, the shortages worked out to 31.5 per cent for 'Dindiga' and 45 % for Jungle Fuel. In view of this very heavy disparity in shortages between the two half years at the same place, the Department has been asked to recover the amounts decided upon as the value of the net shortages.

MYSORE DISTRICT:

38) A stock of 20 pallas and 24 seers of Jola of the value of about Rs.340/- is shown as stocked in various pits in Gundlupet Taluk. This is remaining un-issued for over a year and the monthly stock verification reports have also not been received. It is, however, seen that instead of making use of this Jola - - - stored in the pits long back, fresh jola is being issued even in the month of July,46 from the Reserve Depot to the Local Depot. Evidently there is no stock in the pits. For if the stocks were available they should have been utilised in the usual course in the first instance. The Amildar has been asked to recover the cost of grains from the persons responsible, as the entry in the books regarding its existence appears to be fictitious.

RATIONING OFFICE, MYSORE:

39) Excessive consumption of petrol and oil for Government Lorries.

A total quantity of 1434 gallons of petrol, 14-1/2 gallons of Double Shell Oil, 2-1/2 gallons of oil and 3 lbs of grease had

had been purchased to end of December,44 and paid for, the total cost amounting to Rs.3205-6-6. There are two lorries in service. For one of these, a log book has been maintained from 4-5-44 and onwards. It was stated that the vehicle in service prior to that date was since transferred to Bangalore with its relative log book. It was,however, seen from the available records, that for a total distance of 3021 miles run, 518 gallons of petrol were consumed resulting in an average of mileage of 5.83 miles per gallon. For the other lorry, the log book is maintained for the period from 1-2-44 to 20-6-44 and 3-8-44 to 31-12-44 and onwards. In this case for a total distance of 4468 miles run, 692 gallong of petrol were consumed resulting in an average mileage of 6.65 miles per gallon. No separate stock account were maintained for petrol since it was being purchased as and when required and getting the quantity directly issued to the lorries, nothing being held in reserve stock. The account regarding consumption etc., during the period from 1-12-43 to 1-12-44 is not susceptible of verification since no log book pertaining to that period was made available for audit. The presumably low mileage and the absence of relevant records have been asked to be explained and in future mileages have been asked to be checked and certified by Rationing Officer.

40) The audit of accounts of closed depots, DevarajaMohalla No.10 and Mandi Mohalla No.4, reveal heavy shortages in goods worth Rs.226-8-7 and Rs.255-15-0 respectively. These shortages are those in excess of the admissible limits viz., 2 % for Rice and 1 % for other foodgrains. The amounts have been objected to for recovery from the Depot Managers who were in-charge from time to time. In this case one of the depot managers is responsible for a series of frauds committed in other depots.

41) The gunny bags account of the Laskar Depot for the period from 1-1-45 to 14-2-46 was specially taken up for audit as it was reported that there was an abnormal shortage during this period. It was seen that there was a heavy shortage of 8159 bags and the cost of these at 6 as per bag which amounts to Rs.3059-10-0 has been objected to for recovery from the Manager in-charge of the depot.

MANDYA DISTRICT:

42) When the stock of C.S.Rice in Hanakere Rice Mills, Mandya Taluk, was checked by the Audit Officer, Mysore Circle, on 31-3-46 the actual balance on hand was nil as against the book balance of 21--66 pallas and when the stock of broken rice was also checked there was only one bag against the stock book balance of 9--92 pallas.

The Deputy Commissioner of the District has been requested to recover the value of these shortages viz., Rs.887/-

43) During the course of stock verification by the same - - - Officer in Hosaholalu Rice Mills also, which was conducted on 25-4-46, against the book balance of 46-72 pallas of Broken Rice which was certified to as correct by the special Sheristedar who had checked stock in the Mills on 1-4-46, a quantity of only 10-12 pallas of uncleaned broken rice was found. The facts of the case have been reported to the Deputy Commissioner of the District for recovery of the value of the difference of over 36 pallas of - - broken rice.

KADUR DISTRICT:

44) At one of the depots in Narasimharajapura Sub-Taluk heavy shortages were noticed under the stocks of all varieties of paddy. The details are given below:--

	Quantity P. S.	Cost. Rs.	Total Qty.dealt with. P. S.
Paddy I	9--53	126- 4- 4	594--99
Paddy II	24--80	279- 0- 0	610--05
Paddy III	8--91	91- 5- 3	8--91

The shortages represent what is only a misappropriation of stock. The aggregate loss to Government in this case is 496-9-7. A special audit report has been sent up to the - - - administrative authorities for taking necessary action in the matter.

45) The audit of Aldur Depot in Chickmagalur Taluk has disclosed the following irregularities:--

1) During a very short period of 1 month and 10 days from 21-5-45 to 30-6-45 there was a shortage of 27--37½ pallas of Ragi for a total quantity of 284 pallas handled. This shortage is abnormal and works out nearly 10 ~~x~~ per cent which is unusually high.

2) A quantity of 4--90 pallas of III variety of paddy valued at Rs.50-6-0 was paid for but was omitted to be taken to the ~~x~~ stock account.

3) Sales realisations amounting to Rs.387-7-4 relating to the period from 15th to 22nd September, 45 were omitted to be taken to account resulting in mis-appropriation of Government money.

4) The following quantities of Rice of a total value of Rs.3399-11-9 which were received from the Rice Mills were omitted to be accounted for thus resulting in shortages in stock due to mis-appropriation:--

			P. S.	Rs.
29-5-45 to 9-6-45	Rice	I	52--00	1600- 0- 0
	"	II	52--80	1401- 0- 0
Oct.44 to Dec.44	"	I	0--29	98-11- 9
	"	II	3--39	
May,45 to June,45	"	I	1--60	
	"	II	6--40	
	"	III	3--20	300- 0- 0
		Total		3,399-11-9

5) The following quantities of paddy purchased between the period from 21-2-45 to 21-5-45 have been omitted from the stock ledger:--

Pallas:	17--54	Paddy I	252-12-10
"	3--60	" II	34- 6- 0
"	8--84	" III	90- 9- 0
		Total	377-11-10

6) The following quantities of paddy have been shown as issued to Rice Mills for hulling without any acknowledgements of the Millowners or entries in the hulling registers of the Mills.

			P. S.	
24-10-44 to 6-12-44	Paddy	I	10--70	Rs.109-10-10
	"	II	30--69	276- 5- 0
	"	III	32--31	259- 4- 0
		Total		Rs.645- 3-10

BANGALORE DISTRICT:

46) At the Devarajeevanahalli in Bangalore North Taluk, 60 bags of wheat received, were taken to account as 4356-3/4 seers giving an average of about 72 seers per bag (only 5 bags were stated to have been tested).

On the basis of weight, each bag should contain on an average 96-32/35 seers or 97 seers, the quantity taken to account should have been 5820 seers. This has been proved correct by a reference to the Depot at Hebbal where also 60 bags had been - - transported out of this consignment on the same day and this depo

Depot (Hebbal Depot) has accounted for the wheat at 97 seers per bag. The difference between the accounted and accountable quantities comes to 1464 seers. The amount recoverable at 3 seers per rupee is Rs.488/-

As this is a clear case of short accountal of a large quantity of grains the amount has been asked to be recovered. The loss of such a large quantity of grain at a time of scarcity requires serious notice.

Auditor & Accounting Officer,

BJ)

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF
HIS HIGHNESS THE MAHARAJA OF MYSORE,

No. 43/Camp/SPL

Bangalore, dated 6 - 10 - *1946.*

From

M. SHAMANNA, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

FINANCIAL SECRETARY 6 OCT. 1946 GOVT. OF MYSORE

GEN. & REV. SECRETARIAT. 1039/2 10 OCT. 1946 FINANCIAL BRANCH.

To

The Financial Secretary
to the Government of Mysore,
Bangalore

Sir,

Report on the accounts and audit of the Food Supply Department for the Half-year ended June 1946.

I have the honour to forward herewith a copy of the report on the accounts and audit of the Food Supply transactions for the ~~Half~~ Half-year ended June 1946, received from the Auditor and Accounting Officer, Food Supply Department. A copy of his letter No 1933-34 dated 2nd October 1946 is also enclosed for information.

The Financial results for the year 1945-46 reveal a loss of Rs 30,12,440-6-5. I request that orders of Government may kindly be obtained and communicated early to write off this entire loss in the June (Fl) Accounts for the year 1945-46 against the Budget provision of Rs 25/-lakhs. The Director of Food Supplies has also requested the Secretary to Government, Food Department, to obtain sanction for the above write off, while forwarding a copy of the Report to Government in the Food Department.

I have the honour to be,
Sir,
Your most obedient servant,
M Shamanna
Comptroller

SR 4-10-46

XXX
I have noted my remarks: Please submit a brief note for perusal by Dewan B 4/10

G. R. S. App. F VI—G. 2]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the 19 .

Date of issue 28.11.1946.

Signed by Mr. M. S.

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the Press?

(vi) published in the Gazette, Kannada Part?

Section

File No. A 79-46

Serial No. 8

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read—

Letter no — /46-47 dated 3.10.46 from the D.F.S. stating that the loss on the Food Supply operations for the year 1945-46, is Rs 30,12,440-6-5 which is awaiting due payment of subsidy on imported food grains, ~~Order thereon. No.~~ and that there is a budget provision of Rs 25,00,000 to meet this loss and requesting sanction for the write off of the entire Rs. 30,12,440-6-5 loss in the accounts for the year 1945-46.

Order

P.T.O

over No. 4247-49

In the circumstances explained, Govt. are pleased to sanction the write off of the entire loss of Rs. 30,12,460-6-3 in the accounts of 1945-46.

115
22/11

Secretary to Govt. Food Deptt.

22/11/46.

K.S.
21.11.

Secretary to Govt. Food Deptt.

Yes
21/11

Dr. The D.F.S.
The Comptroller of F.D.
City & D.A.O.

List of Enclosures

Copied by

Examined by

WD 03696—GPB—30,000—2-2-40

Appendix F. G.—1]

SUBJECT Report and accounts of the Food Department for the half year ending 30-6-46

Section

File No. A 79-45

Serial No. 9

Diary No. of letter replied to

= No. FD 4535

General and Revenue Secretariat

To.

the 194

Date of issue 3.12.46

Signed by

List of enclosures

Copied by

Examined by

With reference to your letter no -/46-45 of 3.10.1946 forwarding a report your with accounts and audit of the Food Supply Department for the half year ending 30.6.46 and to Govt no FD. 4247-49/A 79-45-8 of 26/28.11.1946 forwarding the write off of the entire loss of Rs. 30,12,440-6-5 in the accounts for

1945-46 I am directed to invite
your reference to Annexure A of the
report showing cases of defalcations, misappropriations
shortages
and other irregularities and ~~to~~ ~~state~~ It is also not clear
whether criminal proceedings have been
taken against the officials concerned
in all cases where necessary, in addition
to recovering the shortages or embezzled
moneys. I request that a clear report showing
the stage at which each case stands
may be sent to me at a very early
date.

It may also be specifically reported

I have etc.,

Sd/-
3/12/46.

for Secy to Govt
Food Depn

Sd/-
2/12

Appendix F. G.—1]

SUBJECT Report on the accounts of the Forest Deptt. for the half year ending 30.6.1946

Section

File No. A 79-45

Serial No. 10

Diary No. of letter replied to

No. Ho 6331 G/46

General and Revenue Secretariat

( )

the 194

To. The D.F.S.

Sir,

I am directed to forward herewith for favour of urgent remarks a copy of the Financial Secretary's observations on the above subject and to request that the report and information called for in this Office letter No. Ld. 45357 A 79-45-9 of 3.12.1946 may also be furnished very quickly.

I have etc.

Date of issue 3/2/47

Signed by

* Copy of the Review to be typed.

List of enclosures

Copied by

Examined by

Flag + minuted file A79-45 A79-45

WD 62-45—GPB—25,000—24-6-46

Kee 20/1/47

Now 31/1/47

C. F. No. 46]

GOVERNMENT OF MYSORE

No. SW 5937 OFFICE OF *Director of Food Supplies in Mysore.*
Encls. *Bangalore.*

Date 12th February, 1947.

To

The Secretary to the Government
of His Highness the Maharaja of Mysore,
Food Department, Bangalore.

SECRETARIAT TO GOVERNMENT
FOOD DEPARTMENT
No. 1928
Date 18/2

Sir,

Report on the accounts of the Food Department for the period ending June, 1946.

With reference to your D.O.No.SD.6420 dated 6-2-47 requesting me to expedite the information called for in letter No.SD.4535/A.79-45-9 dated 3-12-46, I have the honour to state that detailed reports have been called for from the several Unit officers. As no reply has been yet received from them, urgent reminders have been issued to them.

On receipt of replies from the concerned officers, a final reply will be submitted to Government.

I have the honour to be
Sir,
Your most obedient servant,

Director of Food Supplies.

BJ)

The main file re: the annual report of Food Dept. for the year ending 30.6.1946 has been sent to the Financial Secretary with this office note no. 1638 dt. 18.2.47 in connection with the meeting of Public Accounts Committee.

The Director's final reply promised in the above letter may be awaited, Sir.

22/2

116

GOVERNMENT OF MYSORE

Tele { phone: 2231 / grams: Foodsup.

1379-45-11

No B1.C.6022/46-47.

ENCLS.

OFFICE OF THE
DIRECTOR OF FOOD SUPPLIES
IN MYSORE,

Bangalore, dated 13th March *19*47.

FROM

~~XXSUNDARA BAQXESQXXXXX~~

The *Director of Food Supplies*
in Mysore, Bangalore.

To

The Secretary to Government,
Food and Civil Supplies Department,
Bangalore.

SECRETARY TO GOVERNMENT
FOOD DEPARTMENT
No. 1600
Date 18/3

SIR,

Subject: Report on the accounts of the Food Department for the half year ending 30th June. 1946.

With reference to correspondence ending with your D.O. reminder No.SD.7087 dated 26-2-47 calling for remarks on the observations made by the Financial Secretary to Government regarding the above, I have the honour to enclose herein for information of Government, a copy of note furnished by the Auditor and Accounting Officer furnishing his replies to the observations made.

2. As regards the disposal of milk products, all available existing stocks of evaporated milk have been recommended to be disposed of to a wholesaler who has furnished his tender. The question of disposing of dehydrated potatoe stocks is also under consideration and advertisements have been published outside the State also.

3. 9,500 tons of maize have been allotted to U.P. and Hyderabad and large portions have been sent. It is also proposed to deliver another 1,000 tons for export. The remaining quantities have to be consumed in the State as there is no prospect of getting offers from outside.

4. As regards fresh gunnies, action is being taken separately to concentrate all empty gunnies in district headquarters godowns and kind reference in this behalf is invited to correspondence

(Flag Z)

Govt. No. 7233-35/A.210-46 dt. 28.2.47

ending with your letter No.SD.7336/A.210-46 dated 28-2-1947.

Deputy Commissioners of Districts have been requested to see that all cases of shortages are promptly investigated and responsibility in each case enforced.

I have the honour to be,
Sir,
Your most obedient servant,

Director of Food Supplies.

bsg.2

Subject.	Remarks and Reply.
1. The over draft in the Shimoga District Teasury being unremedied.	Reference has been made to Government in this office letter No.SD 5482 dt.30-1-47 for adjustment of over draft and orders are awaited.
2. Continuance of Credit Sales during the period.	Government have since passed orders in G.O.No.SD.3962-61/A.43-46-2 dt. 16-11-46 that there should be no credit sales, except to Civil & Military Station in which case too all dues should be recovered within 60 days. This order has been communicated to all Deputy Commissioners for strict observance.
3. Disposal of milk-products and certain un-familiar foodgrains.	Reply to be furnished by Administrative Branch.
4. Purchase of fresh gunnies.	-do- -do-
5. ~~Working of~~ Percentage of Shortages. ...	-do- -do-
6. Working of Departmental Lorries	Government have since passed orders in G.O.No. SD.4741/A.12-45-87 dated 10-12-46 regarding the disposal of the lorries. Further action taken to be noted by the Administrative Branch.
7. Stock in transit to the exteht of 8-1/2 lakhs to end of 30-6-46	Action is being taken to adjust the difference appreciably in December'46 accounts.
8. The details for the suspense of Rs.1,11,408-8-0 under liabilities in the Balance Sheet.	The details for the balance of Rs.1,11,408-8-0 under suspense are available, and this will be adjusted in the current half yearly accounts.
9. Closing of Standard cloth accounts.	As the Standard cloth depots have been asked to be closed the balance under Standard cloth advances will be adjusted during the current year.
10. Compilation of halfyearly accounts by the administrative branch to be insisted. 11. Arrears in Local Audit partly due to compilation of accounts. Delay in the prompt disposal of audit report and consequent loss to Government.	Government have since sanctioned additional supervisory accounts staff to each district with a view to prompt compilation of accounts in time, and recovery of amounts under objection vide. G.O.No.Fl. 6082-6095/GF.188-46-2 dated 14-2-47. It is hoped that better progress may be shown under these items.
12. Want of additional staff for the Audit Department.	Reference has been already made to Government by Comptroller in his No.2696/Est.dated 14-2-47.
14. Serious cases of irregularities like misappropriations, etc.	Govt.have enquired in G.O.No.SD. 4535.A.79-45-9 dated 3-12-46 to intimate why prosecution could not be launched in these cases. Replies from the Deputy Commissioners are awaited and a reply will be sent to Govt.
14. a) Delay in sending the periodical returns.	The position has improved a little now, and the state of affairs will be reviewed in the current report.

Notes

Remarks of the Financial Secy.

no 5-269)

The file has been
worked unofficially to
Comptroller on 17.3.47 for
remarks. Ltr C/O put up
on 14.4.47. File
before Fin Secy (16.4.47).

1) Nil.

2) Nil.

vide Dy's letter
dt 13.3.47.

3) Nil.

—do—

Re. 4. A copy of
C/O no Fin 7233-35/
A 210-46-I
dt 28.2.1947
(Flag Z) is
put up. As
ascertained from
the file leading
to the above C/O
has been put up
with a subsequent
reference (Dy no 7006)
and sent to
Dy's unofficially
on 14.4.47.

4) I should like to see this file.

5) In how many cases, the shortages have been traced and responsibility fixed? What is the percentage of recovery on account of shortage to the total shortage?

6) What further action has been taken on the Government Order may be called for.

7) Yes.

8) Yes.

9) Yes.

10 & 11) Yes.

12) Nil.

pertains to
Financial Branch.

13) Yes.

14) The names of officers who have consistently delayed the submission of returns may be called for.

15.b)Progress in ~~of~~ local audit, except in Bangalore Dt.	Additional staff will be posted to this District, which has got as many as 141 depots as soon as hands become available and the local audit arrears will be reduced.
c)The balances outstanding under objectionable items to reduced.	Vide replies furnished to para No.13 overleaf. The Deputy Commissioners have been requested to reduce the outstandings.

Sd/- Y. Subrahmanyam,

Auditor-& Accounting Officer,
Food Supplies Department.

"COPY"

Subramani 16/7

FOR DIRECTOR OF FOOD SUPPLIES.

Review of the report on the accounts and audit of the Food Supply Department for the half-year ending June 1946.

The overdraft in the Shimoga District Treausury has been continuing unremedied for more than one year. The Deputy Commissioner, Shimoga, has to take early action to adjust the same early.

~~There has been no improvement in the realisation of~~ A Sum of Rs 41,66,319-7-11 is still outstanding under ~~the~~ credit sales, ~~which works up to Rs. 41,66,319-7-11~~. The figures for the previous two ½ years are noted in the margin. As heavy balances under credit sales involve loss of interest, the realisation of credit sales should at least be more prompt, if such sales cannot altogether be avoided.

Have we got details for 1945? Details are available.
30/6/45 Rs 29,35,979-6-7
31/12/45 Rs 55,02,104-14-0

Early arrangements to dispose of milk products and certain unfamiliar food grains like dehydrated potatoes, maize, etc., should be made to prevent loss in deterioration.

It is not advisable to purchase fresh gunnies, when there is already a heavy balance of used gunnies. Future purchase of gunnies should be strictly controlled and maximum service obtained from existing gunnies. ~~The percentage of shortages have~~ The total extent of shortage is Rs 2,21405-2-4 noted in the margin. The figures for previous years are ~~enclosed~~. This is now enclosed. ~~has~~ increased. All cases of shortages should be promptly investigated and responsibility enforced.

P L 30/6/45 1%
P L 31/12/45 ·51%

The working of the departmental lorries has not been economical - vide figures noted in the margin. As Govt. have already decided, the question of handing over lorries to private contractors, under a 'Mutchalika' or 'agreement', it is desirable that effect is given to the orders very early to avoid further loss.

Average number of working lorry per day 31.
Cost of running per one mile 0-13-7
Return " 1-11-2

The difference of 8½ lakhs ~~besides~~ between stores received and issued to units is very high. This may be partly due to stores in transit. ~~The Auditor is being separately instructed~~ This should be verified to investigate and reduced ~~the difference~~ very much only.

Sir, Verified. A 19/7

~~The Auditor should trace the~~ The details for the suspense of Rs. 1,11,408-8-0 under ~~the~~ liabilities ~~and~~ should be traced & adjusted ~~the same~~ very early.

Regarding the amount credited to the common accounts pending transfer to the ~~EXM~~ P.D. Account of the Director

of Textiles, the amount may be refunded to Govt as the Director of Textiles is not apparently in need of funds.. The accounts relating to Standard Cloth should be closed early.

The correct compilation of accounts is the primary duty of the administrative Department and sufficient accounting staff have been given to District Offices and Taluk Offices. The Audit Staff have been compiling the half-yearly accounts from the very beginning with the result that their legitimate audit work has fallen into arrears. The complaint that the several units are not sending the accounts neither promptly nor correctly has been persistently made without any improvement. The prompt submission of accounts should be insisted upon.

The Local Audit is still in arrears by an average of nine months. One of the reasons is that the audit staff are compiling the accounts every half-year for about 2 months, while their legitimate work has naturally fallen into arrears. This can be remedied only when the department takes up the entire responsibility for submission of accounts and leaves the audit staff to their normal work.

The Auditor explains that the arrears can be pulled up only when the requisite number of staff is provided to him. The Public Service Commissioner will be requested to make the hands available early. Belated Audit- Serves no purpose.

Considerable delay in replying to audit notes and in recovering the amounts objected to is reported. As it becomes more and more difficult to recover the amounts with lapse of time, the Auditor will be requested to report the names of officers with whom the reports are long pending for taking suitable action.

The details of cases relating to misappropriations and other irregularities, ~~will be referred to the Administrative Secretariat for following up the cases and take~~ prompt action for recovery of the objectionable amounts.

Details.

1. The following delays in sending the prescribed returns are noted.

The D.C. Bangalore	- shortage statement sent only upto June 1945 and C.S. 14 and 14 A upto ~~June~~ October 1945.
The D.C. Kolar	- C.S.14 & 14A ~~for~~ upto September 1945.
Asst. Director, Food Supplies (Depot Section)	- Shortage statement ~~for~~ upto April 1945.

2. The progress of audit in Ban alore District is very poor, where in ~~few~~ one Taluks, the audit is completed upto 30-4-1944 only. The audit work should be expedited.

3. Balance outstanding under objectionable items is very heavy in the following units:-

Hassan	Rs. 1,52,971-8-8
Mandya	" 1,32,290-1-7
R.O. Bangalore	" 1,88,344-0-2
Shimoga	" 3,57,993-12-10

The Deputy Commissioners will have to take prompt action to reduce these outstandings.

6377

120

G. R. S. App. F VI—G 2]

SUBJECT .....

.....

.....

TYPED 23/4/47

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *194* .

Date of issue .. 25.4. .....194 28/4

Signed by Mr. Ho. Dy.

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

Section

File No. A 79-45

Serial No. 12

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read— Correspondence ending with letter no B1-C.6022/46-47 dt. 13.3.47, from the Director of Food Supplies, furnishing his remarks regarding the accounts of the Food Supplies Department for ~~Order thereon—No.~~ the period ending June 1946.

Order No. MG 8975-85

Returned with the following observations:-

1. Re: ~~Overdrafts~~ assignment of overdrafts in the Shimoga District Treasury

The overdrafts in the

Shimoga District Treasury has been
Continuing remedies for more than a year.
The Deputy Commissioner, Shimoga is
requested to take necessary action to
adjust the same early.

2. Re: disposal of Rice-products
and certain unfamiliar food-grains

The attention of the Director of
Food Supplies is invited to
G.O. No. Ld 3892-94/C.39-46-90 dated
the 13th January, 1947 and to Food
Secretary's letter no Ld 7722/C 39-46-114
dt 13.3.1947, on the subject.

D.] File put up Separately

3. Re: purchase of fresh gunnies
orders [Sanctioning the purchase of 2½ lacs of new gunny bags issued in

Z.] List of Enclosures
G.O no Ld. 7233-35/A 210-46-2 dt 28.2.47

4. Re: Percentage of shortages

All cases of shortages should be
promptly investigated and responsibility
enforced. The D.I.S is requested to report
the cases in which the shortages have
been traced and responsibility fixed.
The percentage of Recovery on account
of the said shortage to the total
shortage may also be reported.

Copied by

Examined by

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

5. Re. Working of Departmental Lorries :—

The working of the Departmental lorries has not been economical. The D.T.S. is requested to report the further action taken by him in pursuance of Food Secretary's letter No Fd. 4741/A 12-45-87 dated 10-12-1946.

6. Re: Stores in transit

The difference of Rs. 8 ½ lacs between stores received and issued to units is very high. This should be investigated and reduced very early.

7. Re: Suspense amount under liabilities in the Balance sheet

The Balance of Rs. 1,11,408-8-0 under Suspense should be adjusted in the current half yearly accounts.

8 Re: closing of Standard cloth accounts—

The Standard cloth

As already ordered in C.O. No Fd. 8795-8/A183-45-2 dt 3-6-46

WD 0522 GPB—7,500—16-2 37

depots may be ~~closed~~ wound up as and when stocks get depleted and the Standard clean advances adjusted during the current year.

9. Re: Arrears in local audit and Compilation of accounts }

The attention of the Director of Food Supplies is invited to Govt. no Ft. 6082-6095/C.F 188-46-2 dt 13/14-2-1947 sanctioning additional accounts staff for the District offices P.] Prompt submission of accounts should be insisted upon. Government trust that better progress will be shown under these items.

10. Re: irregularities misappropriations etc }

The Director of Food Supplies is requested to expedite submission of the report and information called for in Food Secretary's letter no Sp. 6331/A 79-45-10 dt 7.2.47. Prompt action should be taken for the recovery of the amounts objected to in audit. Q]

11. Re: Periodical returns } The following abnormal delays in sending the prescribed returns are observed:-

(1) The D.C. Bangalore — Shortage statements sent up to June 1945 only

Visit final Secty's review in planned in the file.

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft:form.*)

C.S. 14 and 14 A upto October 1965.

6) The D.C. Kolar

C.S. 14 and 14 A upto September 1965

c) The Director Food Supplies (Depot Section)

Shortage Statement upto April 1965.

The Director of Food Supplies is requested to report the names of officers who have consistently delayed the submission of the periodical returns

12. Re: Local audit

The progress of audit in Bangalore district is very poor, where in one taluk, the audit is completed upto 30.4.1964 only. The audit work should be expedited.

13. Re: Objectionable items

The balance outstanding under objectionable items is very heavy in the following units:-

Hassan - Rs. 1,52,971-8-8

Mandya - Rs. 1,32,290-1-7

R.O. Bangalore - Rs. 1,88,344-0-2

Shimoga - Rs. 3,57,993-12-10

The Deputy Commissioners ~~[illegible]~~ are requested to take prompt action to reduce the outstandings.

Key to Cyl
Food Deptt

Yes
17/4

The D.F.S.
The D.C's of districts
The Controller under FD

Copy to A.D/A.O. Food Supplies

vide final Secy review placed in red file

9. Re: Delay in local audit and submission of accounts:

The attention of the Director of Food Supplies is invited to G.O. No.Fl.5962-5995/G.F.100-45-2, dated, 13/14-2-1947, sanctioning additional accounts staff for the District Offices. Prompt submission of accounts should be insisted upon. Government trust that better progress will be shown under these items.

10. Re: Irregularities, misappropriations etc.

The Director of Food Supplies is requested to expedite the submission of the report and the information called for in Food Secretary's letter No.SD.6331/A.79-45-10, dated, 7-2-47. Prompt action should be taken for the recovery of the amounts objected to in audit.

11. Re: Periodical Returns.

The following abnormal delays in sending the prescribed returns are observed:-

a)	The Deputy Commissioner, Bangalore.	Shortage statement sent up to June 1945 only. C.J.14 and 14 A up to October 1945.
b)	The Deputy Commissioner, Kolar.	C.S.14 and 14 A up to Septr.1
c)	Asst. Director, Food Supplies (Depot Section):	Shortage statement up to Apri

The Director of Food Supplies is requested to report the names of officers who have consistently delayed the submission of the periodical returns.

12. Re: Local Audit:

The progress of audit in Bangalore District is very poor, where in one taluk, the audit is completed up to 30-4-1944 only. The audit work should be expedited.

13. Re: Objectionable items:

The balance outstanding under objectionable items is very heavy in the following units:-

Hassan	..	Rs.1,52,371	0	0
Mandya	..	" 1,32,290	1	7
Rationing Officer, Bangalore	..	" 1,00,344	0	2
Shimoga	..	" 3,57,993	12	10

The Deputy Commissioners are requested to take prompt action to reduce the outstandings.

K.Veerabhadrayya 24/4/47

Secretary to Government,
Food Department.

To

The Director of Food Supplies in Mysore.
The Deputy Commissioners of Districts.
The Comptroller through Finance Deptt.

Copy to the Auditor & Accounting Officer,
Food Supplies.

KRs (11 x 2).
23.4.47.